

rmans seek package al on EEC payments

dt, the West German Chancellor in talks with Mrs Thatcher, will not act in the EEC budget dispute. But both ondon feel that a solution is drawing ough the Germans believe that in a Britain must make some concessions h.

mism in Bonn on itish flexibility

There is a general feeling in Bonn that a solution is gradually drawing nearer. This would be a relief to the Germans, who dread a big Community crisis and want the problem out of the way so that they can get on with solving the one which is putting serious strain on its alliances and loyalties—Afghanistan.

Selling Carrington proposal

Herr Schmidt and his hosts are expected to consider ways of selling Lord Carrington's proposal, which is very warmly backed by the Germans, for a neutral and non-aligned Afghanistan. The Germans think it particularly helpful if Third World countries in the area could be induced to adopt it as their own.

at to other bers

man view: any be found only by members-in-council and Mrs to solve problems y more than the d. President Giss-

Solution within regulations

Herr Schmidt believes the crisis caused by the Soviet invasion of Afghanistan is too serious to allow the members of the European Community to remain divided, as they have been.

BL sends its manual workers a warning letter on discipline for disruption

By Clifford Webb, Midlands Industrial Correspondent
Mr Raymond Horrocks, managing director of BL, has sent a strongly worded letter to each of the company's 86,000 manual workers warning them that employees who take disruptive action to prevent the implementation of a new pay and working conditions package due on April 8, will be subject to disciplinary action.

The letter arrived at most workers' homes yesterday, about 24hrs after the union side of BL's joint negotiating committee had called for an all-out official strike in protest at the company's imposition of the pay deal. The strike is planned to start on April 8.

Oil rig overturns with 208 on board

By Staff Reporters

A North Sea oil rig accommodation platform with 208 people aboard overturned in a gale last night.

Within minutes RAP and Norwegian Air Force helicopters were flying towards the platform, the Alexander Keilland, 180 miles east of Newcastle upon Tyne. Thirteen ships were diverted to the area.

The platform, a semi-submersible, built on pontoons on the seabed, is owned by Phillips Petroleum in the Ekofisk field. One of its five giant legs collapsed, causing the platform, virtually an oil rig workers' hotel and recreation area, to list.

The reported position of the accommodation rig in the Ekofisk field placed it almost exactly equidistant, between helicopter rescue resources in Britain and Norway.

First reports from helicopters reaching the capsized rig said that survivors had been seen in the sea wearing life-jackets or in life-rafts.

The Ekofisk field, operated by Phillips Petroleum, an American company was the scene of the big blow-out on the Bravo rig in April 1977.

More than 22,000 tons of oil and 60 million cubic feet of natural gas spilled out of the well over the eight days, producing a slick over 150 square miles of the North Sea. The well was finally closed off by a team led by Mr Paul "Red" Adair, the Texan specialist in fighting "gushers".

Phillips Petroleum and the Norwegian petroleum directorate was criticised by an official Norwegian commission of inquiry into the accident, which occurred when a safety device 110ft below the seabed was not properly locked into place.

Burmah plea

Burmah Oil yesterday asked the High Court to order disclosure of government documents concerning the sale of the company's stake in BP to its Bank of England in 1975.

Mr Healey's Budget invective cheers Tories

By Hugh Noyes, Parliamentary Correspondent, Westminster

Mr John Biffen, Chief Secretary to the Treasury, answering Labour's attack on the Budget yesterday in the Commons, warned the faint-hearted on the Conservative benches that the Chancellor's strategy was for a full Parliamentary and there would be no quick dash for freedom.

Inflation could not be killed by a cavalier charge, and he promised that public expenditure would not be brought under control in the roller-coaster manner of the previous Administration.

The Government, he said, would persist with its policies to the end and the Budget was designed to secure the time necessary for the policy to succeed. Peering into the future, Mr Biffen detected encouraging signs in the levels of pay

settlements. Although many of these were still too high, there were indications also that monetary stability was being achieved.

Describing Mr Denis Healey's strategy as "a busted flush", Mr Biffen warned the Labour benches that their former Chancellor appeared to be moving with great delicacy towards a disengagement from his previous stance. One of the enduring characteristics of Budget debate in recent years, he said, was the blend of pug-nacity, foreboding and selective charm, contributed by Mr Healey.

For all his virtues, few MPs yesterday would have been inclined to include delicacy and charm, however selective, as among Mr Healey's more obvious attractions. Like a Muhammad Ali who has run amok, he accused the Government of cheating, lying,

cowardice, incompetence, economic illiteracy, vindictiveness and immorality.

The former Chancellor, apparently trying to get the best of all worlds, first claimed that the Budget was a dismal catalogue of trivia and of little consequence, only to conclude that its effect on society would be catastrophic, and that it was driving heavy nails into the coffin of British industry.

Provided that Mr Healey is not taken too seriously, he is a wonderful value as a pundit. There was no danger yesterday of his being accused, as Mr Callaghan, Leader of the Opposition, accused Sir Geoffrey Howe, Chancellor of the Exchequer, on Wednesday, of lacking in flights of eloquence.

The Government, he said, was presenting the British people with a prospectus for decline and the Chancellor had delivered a stunning keynote

chop to the neck of British industry, from which it would never recover. Labour MPs, and laughed themselves hoarse.

As for his description of the Government's policy as "punk monetarism", Mr Healey said that what he meant by that was a monetary policy based on half-baked understanding of half-baked dogmas. The Chancellor, he concluded, would not get through the eleven-plus in economics, let alone A-levels.

The more invective that came from Mr Healey, the more Conservative MPs seemed to cheer up, presumably on the assumption that if Labour's spokesman needed to make such preposterous charges, prospects for the economy could not be all that bad.

On the Government's proposals for reducing the social security benefits for the families of men on strike, Mr

Healey said that that was being done in a way no Government had ever proposed to punish the families of murderers, rapists or thieves. It was being done for no economic, social or industrial reason, but out of sheer vindictiveness.

The biggest single thrust in the public expenditure White Paper placed the burden of savings on those least able to bear it: the old, sick, children, poor and unemployed. The Budget contained a succession of mean, vicious and vindictive measures, calculated to cause unnecessary suffering to those groups.

At the general election, Mr Healey concluded, the Conservative Party had appealed to fear and greed. There was now nothing left for them to appeal to but fear.

Parliamentary report, page 11



Picasso 'going home': Pablo Picasso's anti-war painting 'Guernica' (above), painted in 1937 and one of his best-known works, is likely to go to his native Spain before the end of the year. The Museum of Modern Art in New York, which has had the painting on extended loan since 1939, confirmed this today, but emphasized that no formal agreement had been signed. (Michael Lesman writes from New York).

MP resigns as Manifesto Group treasurer

By George Clark, Political Correspondent

Mr Neville Sandelson, MP for Hillingdon, Hayes and Harlington, yesterday resigned as treasurer of the right-wing Manifesto Group of Labour MPs, a post he has held since the group was formed in 1973. He did so in protest against the group's timid attitude to the infiltration of the Labour Party by left-wing extremists.

He said: "The Manifesto Group had a worthwhile philosophy, but they had no guts. There was a total disinclination to stand up for what they believed in; they have as much courage as a paralysed rabbit. I asked him if he would be joining the new Labour group calling itself 'Labour First' established on Tuesday by about 30 Labour MPs, including many former junior ministers, with the object of representing the mainstream of Labour opinion in Parliament and in the country."

Mr Sandelson, a barrister, replied in the negative. "They are simply a coterie of former ministers and would-be ministers seeking to protect and advance their own positions", he said.

He was critical of the submission made by the Manifesto Group yesterday to Mr Ron Hayward, general secretary of the Labour Party, in response to his request to all factors within the party for details of their aims, organization and financial sources.

Having submitted details, Mr George Robertson, MP for Hamilton the group's honorary secretary, added: "We are glad to furnish the information. We sincerely hope you meet with as rapid and as forthright a response from the other groups working within the Labour Party." That was an oblique reference to the left-wing groups which are apparently able to "run a national organization and newspapers and which have been reluctant to disclose some of their financial sources."

Mr Sandelson said: "It was sheer hypocrisy on the part of the National Executive Committee to request information from the Manifesto Group, which is the most innocuous—one might

Continued on page 2, col 6

Strikers' families will lose £12 benefit

By Fred Emery, Political Editor

The families of all strikers, regardless of whether they are union members or on official or unofficial strike, are set to lose £12 a week from supplementary benefit under provisions of a new Government security Bill to be published today. It will probably be enacted by the autumn.

Senior ministers disclosed that last night in explaining why the Government had decided to cut through the complexities of the so-called "deeming" of strike pay by unions in favour of a straight deduction.

Had the measure been in effect during the steel strike the state could have saved about half the benefits paid to strikers' families, which at present amount to £8m. Mr Patrick Jenkin, Secretary of State for Social Services told the Commons yesterday.

The Opposition reacted vehemently even without knowing that the move would be a flat deduction; their fury will no doubt be redoubled, with a pledge to repeal it elected. "A direct attack on the trade union movement," declared Mr Stanley Orme, Labour spokesman on health and social services.

Going further, Mr Denis Healey, the shadow chancellor, denounced the move as "punishing the families of men and women on strike in a way in which no government, not even this one, has proposed to punish the families of murderers, rapists, or thieves." Mr Healey charged that there was no economic or social point:

it was "sheer vindictiveness".

The Government, insisting that no other country pays so much benefit to workers on strike, claims to be meeting a wide popular demand to stop "strikers living off taxpayers' money". Ministers resist the notion that this is a tax on striking, arguing that people have a free choice whether to strike or not, including a choice to put pressure on their union to give strike pay. They make much of the fact that the main steelworkers' union has paid not a penny strike pay during the strike.

The Bill is also expected to place a further restriction on strikers' family benefits. At present there is a "disregard" to £4 of any tax rebate in calculating the allowable benefit; in future tax rebates are to be taken fully into account.

The new style of Bill is said to have the full backing of Mr James Prior, Secretary of State for Employment.

He is said to hope that the proposal will actually strengthen the band of union leaders. At present 90 per cent of strikers are unofficial. The intention is that people will feel less inclined to strike if they have no hope of strike pay. Against this it could be argued that pressure would come from more strikes, to be made official.

The Opposition also expressed outrage over the Budget cuts of short-term benefits, and ignored the increased hearing allowances. Mr Jenkin announced, Mr Orme said that 1978 was the last time unemployment benefit had been cut in real terms.

Kuwait and Iran edge oil prices higher

Oil prices are being pushed up again as both Kuwait and Iran review pricing structures. Kuwait is charging a premium on its \$27.50 a barrel price, and Iran is raising its official price by about 52 from April 1. Kuwait also intends to cut production by 25 per cent from the beginning of April. But its three main contractors—Shell, British Petroleum and Gulf—are likely to suffer larger cuts.

Libel damages over 'slush fund'

Libel awards, said to be very substantial, were awarded in the High Court to Mr Alex Park and Mr David Andrews, who were British Leyland executives, against Associated Newspapers over articles in the Daily Mail in 1977 alleging bribery and corruption at British Leyland. The newspaper had alleged that the company ran a "slush fund" of millions of pounds.

Five questioned on bullion theft

Five men were being questioned by police about the theft from the Royal Mint of £3m of silver bullion. At the same time a £300,000 reward, thought to be the largest offered in Britain, was offered by loss adjusters for the recovery of the 10 tons of silver.

Student grants protest expected

Student grants are to rise by 13.7 per cent in the autumn, a figure that brought an angry reaction from the National Union of Students, who were claiming 36 per cent. Their president predicted rent strikes over the decision.

Leader page 17	Letters: On VAT payments and the EEC, from Sir Derek Walker-Smith, AC, MP; on the Olympic Games, from Lord Harris of Greenwich and Lord Harris of Greenwich.	Leading articles: Western alliance—Family Budget—Arts, page 15	David Robinson finds John Casanova's best in The Killing of a Chinese Bookie, and reviews other new films in London; William Mann on the gala performance of Lucie Arnott at Covent Garden	Obituary, page 18	Mt-Gen B. A. Coad, Admiral Sir Henry McCall, Miss C. J. Whittington	Features, pages 10, 16	Frankline Norman on auction
Home News 2, 4-6	European News 6	Law Report Letters 17, 20	Motoring 27	Obituary 18	Parliament 18	Sale Room 2	Science 16
Overseas News 3-10	Appointments 18, 24	Arts 15	19-28	Court 18	Crossword 38	Diary 16	
10, 16	12, 13	17, 20	27	18	18	18	18
Snow reports 12, 13	Sport 12, 13	TV & Radio 29	Theatres, etc 24	25 Years Ago 18	Universities 18	Weather 2	Wills 28

Luxembourg backs claim for equal pay

The European Court of Justice in Luxembourg, in a decision with considerable implications for women's equal pay in Britain, ruled yesterday that a woman was entitled to compare her pay with that of a male predecessor in the same job.

Mrs Wendy Smith, a stock-room manageress with McCarthy's Ltd, wholesalers in pharmaceutical products in Wembley, was paid £30 a week, £10 less than the man that had done the job before her.

The case now goes back to the British Court of Appeal, which referred it to Luxembourg, for a final judgment. The court must follow the Luxembourg ruling.

Chad battles rage

Heavy fighting raged in the battered capital of Chad for the sixth consecutive day between rival southern and northern factions. The shelling was most heavy close to the cathedral where ceasefire talks were in progress.

Olympic coverage: The BBC has deferred making a decision about the total time to be allocated to broadcasting the games

Duke's protest: The Duke of Rutland told the Vale of Belvoir inquiry he was "implacably opposed" to plans for mining in the area.

The North-east: Four-page Special Report on a region struggling for survival after a 40 per cent cut in Government assistance

Classified advertisements: Appointments, pages 27, 28; Car Buyers' Guide, 27; Hotels and Holidays, 28; Personal, 29, 30

Footfall: AC Milan president among 14 suspended; Golf: Curtis Cup team includes 16-year-old; Badminton: Karen Bridge seeded second in European championships; Rugby Union: Laidlaw leads Scotland tour party; Rowing: Encouraging outing for Oxford University; Racing: Uncle Bing wins Topham Trophy at Aintree

Business News, pages 19-25

Stock Markets: Most investment sections were disillusioned with the Budget, as gilts drifted lower followed by equities. The FT Index fell 12.0 to 432.1

Financial Editor: After the Budget: Lucas loses at home

Geoffrey Smith on the EEC and the centre party

Sport, pages 12, 13

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HOME NEWS

£85m extra in fuel subsidy for needy, and pensioners' insulation grant rises by £4m

By Pat Healy

Social Services Correspondent

The Government is to spend an extra £85m next winter on its new fuel subsidy scheme for the poor. In addition, help to pensioners through loft insulation grants will be increased by £4m in England.

The new measures will help about two million people with direct cash benefits, including 123,000 more elderly people, through either the supplementary benefits or family income supplements schemes.

Announcing the new scheme in the Commons yesterday, Mr Patrick Jenkin, Secretary of State for Social Services, said there would be a "fair share" arrangement to reach severely disabled people not receiving help through the supplementary benefit scheme.

The total cost of the fuel subsidy scheme will be £200m, double the amount spent last year and considerably more generous than expected. It will not, however, reach a large number of people, particularly pensioners, who were helped by the previous electricity discount scheme.

Broadly, the new scheme extends the one brought in last year to cover elderly people and families with children under five receiving supplementary benefit, and all families receiving family income supplement.

From November, the automatic payment of heating additions to pensioners aged 75 or over will be extended to those aged 70 or more.

The number of heating additions is to be reduced from three to two with the bottom rate of 95p a week

raised to £140, an increase of nearly half. The two higher rates of £190 and £285 a week will be merged and raised to £340 a week. That will give an increase of almost four-fifths to 350,000 people receiving heating additions with their benefits.

For FIS families, the £1 a week extra paid last year as a recognition of their fuel needs will be doubled to £2. The FIS levels themselves are being raised substantially to increase by about 12,000 to 92,000 the number of families receiving a supplement. The maximum amount of FIS payable will rise from £13.50 to £17 a week, for a family with one child.

Grants to elderly people on low income towards the cost of loft insulation will be increased from 66 per cent to a maximum of £50, to 90 per cent to a maximum of £70.

The change will apply to elderly people receiving either supplementary pensions or rent or rate rebates in England, and similar schemes are to be introduced for old people in the rest of the United Kingdom.

The earnings rule for pensioners, under which pensions are reduced when their earnings exceed £52 a week, is not to be altered. It has been raised in line with inflation, but Mr Jenkin said that it could not be afforded this year. He did not, however, rule out a decision after November to ease the earnings rule and said they were still committed to the eventual abolition of the rule.

Mr Jenkin is also to attempt to limit the amount of unem-

ployment benefit for people over 60 and receiving occupational pensions of more than £35 a week. Three previous governments have tried similar moves, but have been defeated each time by Parliament.

Other changes announced yesterday showed that additions to benefit for children whose parents receive short-term benefits will be half that of the additions applied to long-term benefits.

That brought immediate protests from the National Council for One Parent Families, which claimed that lone parents were being swindled out of £8m more than offsetting the extra £7m given to them in the child benefit premium.

Age Concern was also unhappy at the disclosure that over 60 and receiving occupational pensions of more than £35 a week. Three previous governments have tried similar moves, but have been defeated each time by Parliament.

Mr Jenkin's officials indicated that the next benefit drop will be 52 weeks after this year's.

Mr Jenkin confirmed that a Bill will be introduced, with a second reading soon after the Easter recess, to legalize the more controversial proposals to raise the earnings rule for short-term benefits and reduce supplementary benefits for strikers.

The five per cent reduction this November, which will affect invalidity benefit and maternity allowances as well as unemployment and sickness benefit, was an interim measure pending bringing them into tax, he said. But there was no longer a need for the five per cent cut would be

restored once the benefits were brought into tax.

Benefits themselves will not be taxed under the proposals, but they will count as income for tax purposes. The effect will be that those who are in and out of work will pay more tax on their earnings and benefits combined, while those who become unemployed for whatever reason for most of the year are unlikely to pay extra tax.

The proposals to modify earnings-related supplements in January are expected to bring about 10,000 more people on short-term benefits into supplementary benefit.

When the supplements are completely abolished in the next year, another 90,000 people will be brought onto supplementary benefits and an extra 1,000 staff will be needed to process their claims.

Professor David Donnison, chairman of the Supplementary Benefits Commission, which is being abolished in November, said yesterday that he was pleased that the supplementary benefit safety net was being preserved by increasing the rates in line with prices.

But the package of measures represented something more complicated than an attack on the poor. Basic principles were being abandoned.

Priority for the family was clearly not a policy of the Government, since tax allowances were keeping pace with prices but child benefits were not. Getting people back to work and bringing unemployment down was no longer a goal, he said. The Government was getting people off means tests.

Education authorities to query cash limit plans

By Our Education Correspondent

Officials of the Department of Education and Science are to meet local authority representatives today to interpret and explain the Government's expenditure limits announced in the White Paper on Wednesday.

The local authorities are certain to bring up the question of "cash limits". In its rate support grant settlement for the financial year starting in April the Government has assumed that prices and wages will increase by only 13 per cent.

An unspecified additional amount has been included to make a "realistic allowance" for exceptional wage increases arising from the Clegg commission's comparability studies.

Local authorities will tell the department officials that they will not be able to follow the Government's plans for education if, as they expect, wage and price inflation is above that allowed for in the cash limits.

They will also contend that the £240m saving on school meals, milk and transport in

England and Wales assumed by the Labour government in its last Public Expenditure White Paper, and 10 per cent lower than the last government's plans for 1982-83.

Nursery education has suffered particularly badly. The Government made provision for the number of under-fives receiving nursery education to increase by 20 per cent over the five-year period, up to a total of 602,000 in 1982-83, the present target for local authorities to fall in numbers from 520,000 this year to 476,000 in 1982-83.

Spending on education planned by the present Government is 5.5 per cent lower for 1980-

81 than the plans laid down by the Labour government in its last Public Expenditure White Paper, and 10 per cent lower than the last government's plans for 1982-83.

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Consumers' body regrets limited aid for fuel bills

By Robin Young

Consumer Affairs Correspondent

The Electricity Consumers' Council expressed disappointment last night that the Government had not done more to extend eligibility for assistance intended to help the poor to meet their fuel bills.

The council said they were concerned that many pensioners not claiming supplementary benefit, but qualifying for rent and rate reductions, would not get increased heating allowances.

They had also hoped that allowances might be extended to families on supplementary benefit with children under 11. The new arrangements are unchanged: only families with children under five qualify.

Mr Toby Harris, the council's spokesman, added that they were sceptical about "Delphic utterances" promising "full-scale arrangements to help the disabled who were not receiving heating allowances, and extra assistance to needy pensioners to help them to insulate their homes."

Mixed reaction to rise in cost of prescriptions

By Annabel Ferriman

Health Services Correspondent

The rise in prescription charges from 70p in April to £1 in December was criticized yesterday by the Pharmaceutical Society, but accepted by the British Medical Association.

A representative of the society said: "Pharmacists have always been opposed to such measures, which are wrong in principle. Although about 60 per cent of the population is exempted, the remaining 40 per cent include people requiring long-term medication who suffer real hardship in consequence of these charges."

The BMA said: "If sufficient resources for the National Health Service cannot be raised from direct taxation, then alternative finance needs to be found, including prescription charges at rates which would raise additional funds."

"Doctors will want to ensure that people who need medicines should not be discouraged from obtaining them because of charges."

Pay offer of 19% in private sector will be quoted by steel unions at inquiry

By Paul Routledge

Labour Editor

The two sides in the national steel strike will today complete the preparation of their evidence to the Lever inquiry against a background of rising wage agreements in the private sector.

Officials of the dominant union in the dispute, the Iron and Steel Trades Confederation (ISTC), said last night that 200 workers at the West Midlands Finstrel plant had been offered an average increase of 19 per cent. The company is a subsidiary of Lloyds, which is interested in purchasing the closure-threatened Shotton works of the British Steel Corporation (BSC).

At the public inquiry, which opens tomorrow, the ISTC will be arguing the case for rises of 19 per cent for 135,000 state steel workers, whose strike is now well into its thirteenth week. One of its supporting arguments will be that the private sector of the steel industry has been able to afford increases in that region.

Lord Lever of Manchester, sitting with Sir Richard Marsh, chairman of the British Iron and Steel Council, and Mr William Keys, general secretary of the Society of Graphical and Allied Trades, will adjudicate on a joint document whose value in terms of pay rises the BSC and the unions cannot agree.

The union side will argue in favour of a 14 per cent rise across the board plus a guaranteed five per cent for agreeing to negotiate local productivity deals.

The BSC management will favour confining the national award to 10 per cent all round, plus one three-month payment of four per cent, to encourage works of the union to negotiate job-saving deals in the steelworks.

Lord Lever may keep tomorrow's session going until late in the evening, so that the public part of the inquiry can be concluded in one day. That would leave Sunday free for private deliberations on the evidence the inquiry team has heard.

The inquiry's report and recommendations are likely to be published early next week, possibly on Monday.

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Peter Hill writes: Possibilities of the Shotton works of BSC being taken over by Lloyds are to be examined by senior executives of the trading group at the beginning of next week.

The BSC is already starting to pay redundancy money to nearly 7,000 of its workers at Shotton.

The prospects for the works being acquired by Lloyds are not considered high, since the corporation has always made it clear that it considers the finishing end of the works, a critical element in its future strategy.

Sir Keith Joseph, Secretary of State for Industry, yesterday ruled out any possibility of the Government's providing taxpayers' money to support a takeover of BSC plants by the private sector.

Duckers' decision: Three hundred dock workers at Ipswich, yesterday agreed to back a directive by the Transport and General Workers' Union not to allow future cargoes of steel to leave the port (see Press Association reports).

Miss Peggy Elsie Irene Chiswell, aged 66, was remanded in custody for a week by magistrates at Willesden, London, yesterday charged with the murder of one of the nine women who died in a hostel fire in Kilburn, north London, last week.

Lloyds' computer: Lloyds Bank has ordered two large IBM 3033 computers costing about £6m as part of a doubling of the bank's computer capacity.

Policy switch by city councils on block grant

By Christopher Warman

Local Government Correspondent

The Association of Metropolitan Authorities decided yesterday to end its policy of total opposition to the Government's plan to introduce a block grant system for financing local authorities.

By 38 votes to 35 its policy committee decided to allow association officers to resume work on developing the system to try to mitigate its worst effects.

The Labour majority on the committee were bitterly critical about this change of policy and Mr Jack Smart, group leader, described it as a "sell-out" by the Conservative majority.

Sir Godfrey Taylor, the association chairman, rejected the accusation that he was running away from the fight. "I oppose the imposition of a block grant, and it is not my intention to let it go through the House of Commons by default," he said.

"We will fight it, but if we cannot defeat the principle, I hope we can make it acceptable to some degree."

Mr Michael Heseltine, Secretary of State for the Environment, has rejected alternative proposals put forward by the local authority associations, but he and Mr Tom King, Minister for Local Government, are concerned at their continued opposition.

Earlier this week Mr King told the standing committee on the Local Government Planning and Land Bill, which includes the block grant proposal, that the Government were determined to proceed with the basic principles of the grant.

He emphasized, however, that they were prepared to consider further constructive amendments that could incorporate any additional safeguards consistent with the principles. Any additional safeguards convince the Conservative group on the association to soften their attitude and resume discussions.

Their attack will now be concentrated on the constitutional change involved, for they see the balance of central and local relationships shifting towards greater central control of local authorities with the introduction of the new grant system.

Mr Smart said central government's attitude was incomprehensible in the light of local government's record. "Our record is one of total responsibility and true accountability to those who elect us," he said.

"The Bill, if not amended, will destroy local government and local democracy as we know it." He rejected the Government's insistence on punishing the big spenders. He said: "Those being accused by the Government as big spenders are not people who are wanting to defy the Government for political reasons, but they are people who care and we have to face problems of their making, but are doing their best to overcome the difficulties facing the society who elected them to serve the community."

Labour council leaders, particularly from the high spending authorities, voiced their dismay at the Labour Party's change of heart. Mr Edward Knight, from Lambeth, urged them to keep up the pressure. "Mr King's offer is a bludgeon before you are shot, and you will be shot unless you stand firm," he said.

Mr Jeremy Beecham, Newcastle upon Tyne, said there was a big difference between high spending and big spending. "There is high spending when local authorities determine what the needs are in their areas and endeavour to meet them."

Powers for Stormont over least contentious Cabinet to study new Ulster

From Christopher Thomas

Belfast

Within six or eight weeks the Government is likely to reveal its ideas for the establishment of an elected administration in Northern Ireland.

The strategy is being built around a cautious expectation that a form of parliamentary government, perhaps with powers only over the least contentious issues, can be operational within 15 to 18 months.

It is beyond doubt that Westminster intends to try to exert its will over what is seen by many political observers as the most urgent crisis besetting the United Kingdom after the economy and Western defence.

The ingredients of the next political move will be prepared by the policy divisions of the Northern Ireland Office in London in consultation with an inner circle of Cabinet ministers.

They are Mr Francis Pym, Secretary of State for Defence and briefly a former Secretary of State for Northern Ireland, Lord Carrington, the Foreign Secretary, Mr William Whitelaw, the Home Secretary and former Secretary of State for Northern Ireland, Lord Hailsham of St Marylebone, the Lord Chancellor, and Mr Humphrey Atkins, the Secretary of State for Northern Ireland.

The five ministers are to meet next week to assess the Stormont constitutional talks, which adjourned on Monday after sitting for 21 days since January 7. The talks had become deadlocked over power sharing, but the atmosphere, significantly, remained friendly.

Mr Margaret Thatcher received a report from Mr Atkins as a 45-minute meeting on Wednesday. There are no immediate plans to report to the full Cabinet.

Mr Atkins hopes to present ideas to Parliament in May. One possible procedure is to publish what is being called a "green edged" White Paper, which would include discussion elements akin to a Green Paper.

Rather than fastening on to a single proposal, the White Paper may set out a narrow range of options for political reform which could open the door to Ireland for extensive consultations, before a full parliamentary debate.

As a vital element of those consultations, Mr Atkins wants to reconvene the Stormont conference, but at this stage the main priority is representing the minority community at the talks, the Social Democratic and Labour Party.

Mr Pym said that the Government were determined to proceed with the basic principles of the grant. He emphasized, however, that they were prepared to consider further constructive amendments that could incorporate any additional safeguards consistent with the principles. Any additional safeguards convince the Conservative group on the association to soften their attitude and resume discussions.

Their attack will now be concentrated on the constitutional change involved, for they see the balance of central and local relationships shifting towards greater central control of local authorities with the introduction of the new grant system.

Mr Smart said central government's attitude was incomprehensible in the light of local government's record. "Our record is one of total responsibility and true accountability to those who elect us," he said.

"The Bill, if not amended, will destroy local government and local democracy as we know it." He rejected the Government's insistence on punishing the big spenders. He said: "Those being accused by the Government as big spenders are not people who are wanting to defy the Government for political reasons, but they are people who care and we have to face problems of their making, but are doing their best to overcome the difficulties facing the society who elected them to serve the community."

Labour council leaders, particularly from the high spending authorities, voiced their dismay at the Labour Party's change of heart. Mr Edward Knight, from Lambeth, urged them to keep up the pressure. "Mr King's offer is a bludgeon before you are shot, and you will be shot unless you stand firm," he said.

Mr Jeremy Beecham, Newcastle upon Tyne, said there was a big difference between high spending and big spending. "There is high spending when local authorities determine what the needs are in their areas and endeavour to meet them."

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HOME NEWS

Wartime accusation by the Foreign Office on ILP campaign

Beaverbrook's 1940 'compromise peace plan'

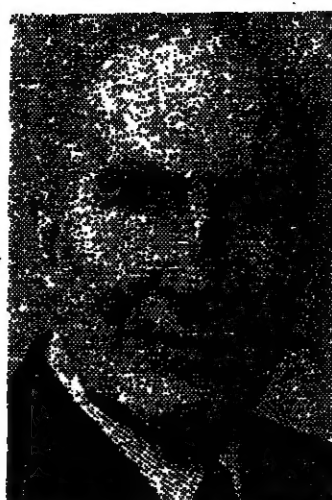
By Peter Hennessy

Foreign Office accusations that Lord Beaverbrook was funding and encouraging a campaign to secure a compromise peace with Hitler in March, 1940, a few weeks before he joined the Churchill wartime coalition government as Minister of Aircraft Production, are disclosed in the April issue of *War Monthly*, published today.

Mr Roger Makins, a Foreign Office official, later Ambassador to Washington and Permanent Secretary to the Treasury (now Lord Sheffield), expressed concern in internal FO minutes that Lord Beaverbrook's enterprise was arousing alarm in France. He wrote:

I have tried to calm these greatly justifiably disturbed minds by telling them not to attach too much importance to this merchant... Lord Beaverbrook is a buddy Mr Kennedy (United States Ambassador to the United Kingdom) and of most of the "Money-in-out-time Brigades"—a detachment of the Fifth Column.

Lord Beaverbrook, the FO discovered, had offered to finance a peace campaign to be conducted by the Independent Labour Party (ILP). Mr John McGovern, an ILP MP, later alleged that Lord Beaverbrook at a dinner in Stornoway House, his London home, had offered



Lord Sheffield: Tried to calm the French.



Lord Beaverbrook: "A buddy of Mr Kennedy."

£500 for every seat the ILP fought, and to send "special reporters" from his newspapers into the constituencies "because he saw no sign of Britain beating Germany."

Another FO official, Mr Charles Peake, had heard from Mr Kingsley Martin, Editor of the *New Statesman*, that "left and right-wing pacifists are making common cause." Mr Makins was in no doubt about

the harm that might do. He wrote: If he goes on with this he will do a great deal of damage (1) here (2) in France (3) in the USA, where there is anyhow considerable distrust of us and (4) he will be a great gift to German propaganda. He should therefore be stopped... For the peace he has in mind would only result without fail in our all having our throats cut in a couple of years.

Mr Winston Churchill defen-

ded Lord Beaverbrook in June 1941, when Mr McGovern made his accusation on the floor of the House of Commons. But the author of the *War Monthly* article, Dr Charles Cruickshank, the leading historian of deception and black propaganda on the British side in the Second World War, is convinced by papers he has discovered at the Public Record Office that Lord Beaverbrook was indeed engaged in the activities ascribed to him by the FO in 1940.

Dr Cruickshank said last night: "If you take the FO file on the matter, the case against Lord Beaverbrook could be described as 'not proven'. But place it alongside Mr Churchill's own file and the two together produce an explosion."

After Mr McGovern had accused Lord Beaverbrook in the Commons, Mr Churchill asked his friend if there was any truth in the allegations. Lord Beaverbrook drafted two statements for Mr Churchill denying Mr McGovern's account, neither of which, Dr Cruickshank says, satisfied the Prime Minister. The episode was finally settled in a telephone conversation between Lord Beaverbrook and Mr Churchill, no record of which has been kept.

War Monthly No. 75, vol 8 (PO Box 249, London, SW5 0PR, 75p).

BBC talks on pay adjourned

By a Staff Reporter

Pay talks covering the BBC's 28,000 staff opened in London yesterday and were adjourned until April 15, when the BBC will make specific proposals to the unions on the national joint conference.

Before the meeting there had been an exchange of letters in which the BBC said it wanted the unions at the meeting to make clear what they considered their priority areas. Hours, pay, conditions and holidays were included.

"The discussions concentrated on those kinds of aspects," a BBC spokesman said afterwards. "No specific claim was made. The BBC did not make an offer."

The Central Arbitration Committee decided earlier this month not to proceed with a claim for comparability until agreement was concluded on the 1980 negotiation.

The unions have claimed that the gap between the pay in the independent television companies and that in the BBC was between 20 and 50 per cent. The BBC has said through Mr Ian Trethowan, its director-general, that 16 per cent will be available to allow for price rises. Any higher claim allowed might be reducing posts.

The last settlement was 5 per cent, but that covered an 18-month period.

Big damages awarded to former BL chiefs

Large undisclosed damages for libel were awarded against Associated Newspapers in the High Court yesterday to Mr Alex Park and Mr David Andrews who were British Leyland senior executives, over articles in the *Daily Mail* in 1977 alleging bribery and corruption at British Leyland.

The awards were "very substantial indeed," Mr Justice O'Connor was told. Lawyers later agreed that they were well into five figures.

Mr Park was formerly chief executive of British Leyland and Mr Andrews managing director of the Leyland International Division.

Mr Park is now director and vice-president of IIT (UK) Ltd, and Mr Andrews is executive vice-chairman of BL Ltd (formerly British Leyland). As well as the damages awards they received an apology and their costs.

Mr Richard Hartley, QC, for Mr Park and Mr Andrews, said maximum publicity and sensational presentation was given to a "world-exclusive" exposé by the *Daily Mail* in which it alleged that British Leyland was operating a worldwide web of bribery and corruption and that there was a slush fund of millions of pounds to be used to bribe governmental officials and others to win export orders in overseas markets. The allega-

tions were repeated in the world's media.

The allegations were, in part, based on a number of forged documents, for which the newspaper had been induced to pay a large sum of money in the belief that the documents were authentic. Among them was a forged letter purporting to be from Lord Ryder of Eton, then chairman and chief executive of the National Enterprise Board, to Mr Park.

That forgery, for which the forger, Graham Barton, was later jailed for two years, referred to Mr Park's "recommendations" for the control and payment of the alleged bribes, and specifically mentioned "international", of which Mr Andrews was managing director, as the division concerned.

Graham Barton confessed to the forgery of the "Ryder letter". The newspaper apologized to Lord Ryder and Mr Park but the apology was concerned only with the "Ryder letter".

Mr Hartley said that although their names were cleared within British Leyland and the Government, in the absence of any withdrawal or apology from the *Daily Mail* in respect of the general allegations of bribery and corruption, the shadow of those allegations had hung over them.

Auction law reminder to dealers

By Geraldine Norman

Sale Room Correspondent

Lord Westmorland, the new chairman of Sotheby's, has made a controversial move in writing to the main dealers' association to remind them of auction bidding law and request them not to break it. He has written to the British Antique Dealers' Association (BADA), the Society of London Art Dealer (SLAD), and the London and Provincial Antique Dealers' Association (LAPADA).

The text of the letter has not been disclosed and Sotheby's says it was a "confidential matter". But Lord Westmorland is understood to have drawn the dealers' attention to the Auction (Bidding Agreements) Acts of 1927 and 1969, which outlaw certain forms of agreement between dealers not to bid against each other, unless they have notified the auctioneer in writing before the sale.

Sotheby's appear to be taking the line that all types of agreement between dealers must be reported to the auctioneer before the sale. They are not, in fact, the law. The dealers' associations have been taking legal advice on the interpretation of the law, and it looks as if they are coming up with a different interpretation.

Mr J. Baer, president of SLAD, said yesterday that he had written privately to Lord Westmorland about the letter but was happy to comment on the Act. The advice he had received indicated that there were a lot of holes in the Act and it was open to various interpretations.

In his view a joint purchase by several dealers was perfectly legal if the agreement was entered into orally, rather than in writing, as long as no financial inducement nor to bid separately was involved; he did not believe that such an agreement needed to be reported to the auctioneer.

The BADA said yesterday that it had received a letter, was taking advice, and was considering what reply to make. The LAPADA said that its chairman, Sir Frederick Corfield, had written privately to Lord Westmorland about the matter, but it could not discuss in what terms.

It did point out that there was an element of the pot calling the kettle black on the issue: if auctioneers were correctly catalogued and owners advised to set reserves at sensible levels, dealers would have little room to abuse the auction system.

Island sells old buses for £2,700

An auction sale of old buses yesterday by the Channel Islands Railway Co raised more than £2,700 and attracted collectors from all over the United Kingdom.

Twenty-three buses dating from 1933 to 1938, including three used during the German occupation of the Channel Islands, fetched between £50 and £380.

WEST EUROPE

Walker plan would bar cheaper food imports

From Michael Hornsby

Brussels, March 27

British consumers will be denied the cheaper food imports resulting from the recent sharp recovery of sterling if Mr Peter Walker, the Minister of Agriculture, succeeds today in a plan to change EEC rules to give better protection to British food traders and farmers.

Mr Walker maintains that Britain is at a competitive disadvantage in its food trade with other member states because of the way the notoriously complex "green" currency system operates.

His attitude, however, is difficult to square with the traditional British complaint that the EEC's Common Agricultural Policy penalizes the consumer by maintaining food prices at artificially high levels.

Other member states saw the British move as a further example of Anglo-Saxon "protectionism" favouring the domestic farmer while the rest of the world is being "freed" of EEC prices for Continental farmers.

The trouble has arisen because for the first time since Britain joined the EEC the pound has risen above the green exchange rate used to translate the Community's common farm prices fixed in units of account into sterling.

On the basis of the calculations used by the European Commission, the pound is now 2.4 per cent above its green rate, whereas at times in the past it has dropped to as much as 40 per cent below.

When the pound is below its green rate the gap is bridged by a surcharge on imports and a tax on food exports. The situation is reversed when the pound goes above its green rate.

Under existing EEC rules, however, the first 2.5 per cent of the divergence are, in effect, covered by the taxes and subsidies, known as monetary compensatory amounts (MCAs), do not apply unless the divergence is greater than this.

This means that for the moment the application of the pound is not being bridged by the application of MCAs and consumers are getting the benefit of cheaper imports.

Mr Walker's contention is that there is an in-built distortion in the system, and that there can be a gap of as much as 5 per cent between British prices and those in another member state, without any of this being covered by MCAs.

He wants the MCAs to apply immediately. Following his MCA move, Mr Walker added insult to injury by telling the French that the British Government would need at least 24 hours to consider whether to agree to a French request for a 3.5 per cent devaluation of the French franc to boost French farmers' incomes.



The Pope embracing Cardinal Slipyi yesterday after nominating him as primate of the Ukraine.

Ukraine Church leader nominated

From John Earle

Rome, March 27

The Pope today announced the nomination of Monsignor Myroslav Ivan Ljubachivsky, Archbishop of the Ukrainians in Philadelphia, to succeed Cardinal Jozef Slipyi, aged 88, as Archbishop of Lvov and head of the Ukrainian Catholic Church. He will succeed to the appointments on the cardinal's death.

The Pope made the announcement to the closing session of the synod of Ukrainian bishops here. He said Mr Ljubachivsky's name had been first on the list of three which the synod had submitted to him at its opening on Monday. The synod is now ended, and the 14 bishops will return to their places of residence in exile.

Mr Ljubachivsky was born 65 years ago at Dolyn in the archdiocese of Lvov in the Ukraine, and was ordained priest in 1938. The opposition to him has subsided since the Pope appointed him Arch-

bishop of Philadelphia last September. He was elected by the Ukrainian bishops in the US. The Pope's appointment of Mr Ljubachivsky as Archbishop of Lvov is a significant step towards the reunification of the Ukrainian Church. The Ukrainian Catholic Church has been in exile since 1945, when the Soviet Union took control of the Ukraine. The Pope's appointment of Mr Ljubachivsky is seen as a sign of the Vatican's interest in the Ukrainian Church and its role in the reunification of the Ukrainian people.

Rome coalition raises hope of April EEC summit

From Our Correspondent

Rome, March 27

The prospects of holding the postponed European Community summit before the end of April have strengthened as a result of good progress being made by Signor Francesco Cossiga in forming a coalition of Christian Democrats, Socialists and Republicans.

Signor Cossiga is expected to confirm to President Sandro Pertini at the weekend that he can form a three-party coalition Government so that, after further discussion next week on its programme and the allocation of ministerial portfolios, the new administration can be in office by Easter.

His last coalition of Christian Democrats, Social Democrats and Liberals collapsed eight days ago but, after a quick round of consultations, President Pertini entrusted Signor

Cossiga, a Christian Democrat, once again with the formation of the next Government.

As current chairman of the EEC Council of Ministers, Signor Cossiga last Monday postponed the Brussels summit set for next Monday. He felt that the task of forming a government would not allow adequate time for the necessary preparatory consultations with Community partners on breaking the logjam over Britain's financial contribution.

If all goes ahead as planned, Signor Cossiga should therefore be in the saddle in time to prepare for a summit in the last days of April. But it is unlikely that the summit will be held in Rome, as the new Government, there will be the risk of having to postpone the summit until the next one planned for June in Venice. The most vociferous opposition to the proposed summit coalition so far has come from the Social Democrats.

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The party was in the French capital.

Doctors urged to cut use of tranquillizers

By Our Medical Correspondent

Fresh guidelines for doctors on the prescription of tranquillizers such as diazepam and chlordiazepoxide (first marketed as Valium and Librium) recommend that those drugs should be given for fewer conditions and for shorter periods. Patients on long-term treatment with the drugs should have that treatment gradually withdrawn.

The guidelines, published today in the *British Medical Journal*, have been prepared by the Department of Health's committee on the review of medicines, which is reviewing prescription drugs in production when the Medicines Act came into effect in 1971 to control the testing and marketing of new drugs.

The committee has looked at the whole group of benzodiazepines, which includes not only diazepam and chlordiazepoxide but also eight more recent sleeping pills and tranquillizers of the same pharmacological type. Particular attention was given to the risks of dependence on tranquillizers.

Reports in the medical and lay press have drawn attention to the high rate of prescribing diazepam and other benzodiazepines, the committee says, and adverse effects have been re-

ported in patients ending use of the drugs abruptly.

Review of available data led the committee to conclude, however, that the true addiction potential of benzodiazepines is low: only 26 people in Britain are known to have become dependent on the drugs between 1960 and 1977, and most of those were known drug misusers.

The committee says that when a patient stops taking a benzodiazepine, withdrawal symptoms may develop, including anxiety, apprehension, tremor, insomnia, nausea and vomiting. Since the symptoms may be similar to those of the original illness, the doctor may believe a further course of treatment is needed, and that may be one explanation for the frequency of repeat prescriptions.

The guidelines advise that long term treatment is rarely justified. After considering the conditions for which tranquillizers are prescribed, the committee has recommended their use for the treatment of insomnia and anxiety, but not for depression, behaviour disorders, tension headaches, or dysmenorrhoea occurring in the absence of anxiety.

The committee has followed the line taken by expert bodies

in the United States in saying that there is little evidence that benzodiazepine sleeping pills continue to be effective when used for long periods. Most sleeping pills lose their sleep-promoting properties within 3 to 14 days of continuous use, the new guidelines say.

Similar warnings are given about the treatment of anxiety, when benzodiazepines probably become ineffective after four months' continuous treatment. The committee says doctors' attention needs to be drawn to the lack of evidence of long-term efficacy, and it recommends that patients on long-term treatment should have their drugs gradually withdrawn.

The new guidelines also include reminders that patients on treatment with long-acting benzodiazepines may have their coordination and judgment impaired; they should be told not to drive or operate machinery. Warnings should also be given to patients of possible interactions between alcohol and tranquillizers.

The pharmaceutical companies that market benzodiazepines will be asked to draw up fresh information for doctors in the light of those general comments and of more detailed comments on specific compounds.

Factory golf course

A nine-hole golf course is being built for employees of a wholesale meat company who are moving into a new 22-acre factory site at Sutton Bridge, Lincolnshire.

Alcohol blamed for assault rise

Assaults on police in the Strathclyde region, which includes Glasgow, rose by more than half last year.

Mr Patrick Hamill, Chief Constable of Strathclyde, called

the increase "a matter of great concern", in his annual report, published yesterday. He later said that alcohol was to blame in most cases.

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	1979
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Heated Rollers	99%
Hairdryers	78%
Mirrors	60%
Clocks	61%
Furniture	22%
Carpets	16%
Vacuum Cleaners	31%

Imported Kitchen Equipment

	1979
Dry Irons	45%
Domestic Glassware	66%
Cutlery	70%
Saucepans/Frying Pans	36%
Kitchen Knives	40%
Toasters	61%
Electric Cookers	21%
Hand held Mixers	58%

Imported White Goods

	1979
Dishwashers	99%
Fridge Freezers	68%
Automatic Washing Machines	44%
Refrigerators	32%
Spin Dryers	28%

Imported Clothing/Accessories

	1979
Footwear	34%
Luggage (leather)	57%
Handbags (leather)	72%
Mens/Boys Tailored Outerwear	33%
Womens/Girls Outerwear	28%
Mens Shirts/Overalls	38%

Imported Leisure Equipment

	1979
Sports Equipment	74%
Bicycles	30%

Imported Audio Visual

	1979
Television B & W	50%
Television Colour	27%
Portable Televisions	53%
Record Players/Decks	51%
Portable Radios	96%
Music Centres	66%

Imported Vehicles

	1979
Cars	56%
Commercial Vehicles	23%

Import Trends

	1970	1979
Agricultural Machinery	22%	44%
Machine Tools	28%	48%
Construction Equipment	40%	71%
Mechanical Engineering	19%	32%
Textiles	14%	33%

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Buy something made outside Britain and we pay twice.

Once over the counter. And again when we pay for the unemployment we're helping to create.

Each time we choose a foreign-made product rather than one made at home, we drive another nail in Britain's industrial coffin. So why do we buy so many foreign-made goods?

It's true that there is sometimes no real choice. Whole industries that once flourished in Britain no longer exist.

And the trend for many other industries is looking increasingly unhealthy.

Things wouldn't be quite so bad if we were able to export our way out of trouble. But our

exports are only growing at one tenth of the rate of our imports.

Right now it must be sensible for us to stop trying to pin the blame on each other. And start trying to put things right instead.

We could all make a start by buying British whenever possible.

This doesn't mean that we should choose British goods out of blind patriotism.

But that we should never ignore a British-made product in the mistaken belief that it cannot be as good as a foreign one.

Foreigners find our defeatist attitude amusing. And extremely profitable.

They instinctively support their own industries by choosing home-produced goods.

Which is almost certainly why the problem is unique to Britain.

One industry at risk right now is the motor industry. An industry whose importance to Britain cannot be overestimated.

It brings employment to millions of workers. It trains most of our engineers. Indeed it is our biggest single manufacturing industry.

BL is the only British owned volume car maker. The other large manufacturers can, and do, switch car production away from Britain.

Not so BL.

Which is why it's so important for BL to succeed. And remain British owned.

Of course BL would have a tremendous amount to gain from a shift in attitude towards

the British buying British.

But the problem doesn't just belong to the motor industry.

It affects us all. And it's striking deeper and deeper every day.

Not too long ago, our standard of living was the highest in the world.

Now we're not even in the top twenty.

The climb back will not be easy. But we can all begin today by taking a fresh look at British manufactured goods.

Next time you're looking to buy anything, but especially a motor car, see how the British product stacks up first. If then you find it doesn't suit you, we'll be surprised. But we'll have no complaints.

Battle for Chad capital gathers momentum while talks on ceasefire continue in cathedral

Ndjamena, March 27.—Heavy artillery fire was exchanged in Chad today, the capital of Chad today, with the most intense shelling coming from positions less than 200 yards from a ceasefire committee trying to hammer out a truce between rival factions.

This was the sector round Camp 13 April held by the Armed Forces of the North of Mr Hissene Habre, the Defence Minister, which are fighting for the capital against the popular Armed Forces of President Goukouni Oueddega.

On Mr Habre's southern flank, at the entrance to a bridge on the Chari river, the Chadian Armed Forces of the Southern Front, Vice-President Wadal Abdelkader Kamougue, were shelling the Defence Minister's troops, according to Mr Djoua Goid, the Minister of Justice.

Fighting resumed at dawn today, the sixth consecutive day in the battle for this battered city which is without water or electricity.

About 100 Europeans are still in Ndjamena, most sheltering in the French military base from which they are to be flown today by French military transport aircraft to Douala, in Cameroon. Officials said that

some of the Europeans were trapped between the opposing forces, but some were staying put of their own will.

Ceasefire talks Fresh troops were reaching Ndjamena from the eastern strongholds of Mr Habre while warriors from the barren northern plateau brought relief to the President's forces.

For the second consecutive day the two sides met in the battered cathedral in a narrow lane between the two armies to seek a ceasefire with the help of French officers and the ambassadors of Saudi Arabia, France and Egypt.

French officials said the mortar and artillery fire had certainly caused heavy civilian casualties, but it was impossible to estimate the numbers of dead and wounded.

The French force of 1,100 men, grouped at a military base near Ndjamena airport, is under strict orders not to become involved in the fighting. A number of the first 150 European refugees to reach Paris last night complained they had to make their own way to the military base without the protection of French troops, at the request of Chad leaders.

Officials said that a contingent of 550 Congolese troops, in

Ndjamena as an African peace-keeping force, were in a barracks in a particularly exposed sector. The Congolese had taken no part in the fighting but, they had already lost one man killed.

French experts said the renewed civil war was the result of an ancient endemic rivalry. They said Vice-President Kamougue's army from the mainly Christian and animist South appeared to be trying to profit from the conflict to extend his faction's power.

Chad, one of the world's poorest countries, is short of everything except guns and armies. Since the sparsely populated nation gained independence from France in 1960, it has had only rare periods of peace.

There are 30,000 men under arms in Chad and 11 separate political groupings, which last November formed a transitional Government of national union that was supposed to bury past enmities.

African appeal: Mr Edem Kodjo, the secretary of the Organisation of African Unity, has appealed for a halt to fighting in Chad, the Ethiopian radio monitored in Nairobi said

Boeing wins Pentagon contract for missiles

From David Cross Washington, March 27

The Pentagon has chosen the Boeing company to be the principal manufacturer of America's first fleet of air-launched cruise missiles, after several months of trials between competing models.

Boeing secured the main contract for construction of more than 3,000 of the new weapons against strong competition from another leading defence contractor, the General Dynamics Corporation.

The contract is worth some \$4,000m (about £1,818m) over the next four or five years. Boeing's share of this is likely to be worth between \$1,000m and \$2,000m.

Announcing the decision at a press conference, Mr Hank Mark, the Air Force Secretary, said that the Pentagon selected the Boeing model over the General Dynamics version because it had a somewhat better guidance system and aerodynamic shape. It was also slightly easier to maintain in the field.

Initially, the new missile is to be carried by more than 170 B52G bombers. But these are at least 18 years old



Chairman Hua Guofeng shaking hands in Peking with Mr Francis Pym.

China seeks London plane deals office

Shanghai, March 27.—China has asked Britain for permission to set up an office in London dealing with aircraft contracts and sales, a spokesman for Mr Francis Pym, the British Defence Secretary, said today.

The request was made at talks today between Mr Pym and Mr Liu Dong, Minister of the Third Chinese Ministry of Machine Building, which handles aircraft production and acquisition.

"The fact that the Chinese feel the need for this kind of facility in London for now and the future must be interpreted as an earnest of their intention to expand their trading relations with Britain", the spokesman said.

The Chinese Ministry's London office, still to be formally approved by the Foreign Office, is expected to be staffed by 10 or 12 people and could be in operation by the end of the year.

According to one British source, the office would conduct negotiations with British companies on the technical details of possible contracts involving civil and military aircraft and associated equipment.

"It would mean there was less need for plane loads of people travelling backwards and forwards to make evaluations," the source went on. "It would also improve communications and hopefully enable us to know more about the changing Chinese priorities."

The source said that, during the talks Mr Pym has had since arriving in China last Sunday, Chinese officials have emphasised the need for China to consider its "overall priorities" regarding foreign pur-

chases and have asked British industry to be patient.

The indication was that the Harrier jump-jet, which China has been negotiating to buy for more than two years, was not a top Chinese priority.

But British sources said the future of Sino-British trade was not dependent on the success or failure of the Harrier deal; there were other projects of equal value which had been discussed.

Today, Mr Pym attended the opening of a British aerospace exhibition here at which more than 50 British companies are exhibiting a wide range of equipment, both military and civil, in the hope of increasing sales to China.

The Defence Secretary is to leave Shanghai tomorrow for Hongkong.—Reuters.

Only conclusion to be drawn from latest primaries is that the race is still open

Decided Volatiles come to Senator Kennedy's rescue

Brogan

event the Volatiles gave Mr Kennedy a victory, 59 to 41. Another name for them is Undecided. Every opinion poll taken before primary day finds huge numbers of people who have not yet decided whom to vote for. Normally, they stay at home, or split up between the candidates in roughly the same proportions that their more decided neighbours have already set. This time, in New Hampshire and Massachusetts in Florida and Illinois, and on Tuesday in New York and Connecticut, the Undecideds decided the race by all plumping together for the same man.

The first lesson of all this is that if people can swing so widely from one candidate to another their future movements cannot be predicted with any safety. Campaign managers, seeking to explain why Mr Kennedy did so badly on March 18 in Illinois and so well in New York and Connecticut a week later, can only conclude that the Democratic race, at least, is still open.

Mr Kennedy is playing the role played in 1976 by Mr Ronald Reagan. President Ford won the first five primaries that year and Mr Reagan was on the ropes, about to be defeated finally, when he won his first primary, in North Carolina, on March 23. Mr Carter won six primaries, and lost two (Massachusetts, Senator Kennedy's home state, and Puerto Rico) before New York.

In 1976, Mr Reagan went on from his first victory to carry the South and West, and got within 80 votes of defeating President Ford at the Republican convention. He lost, he helped the Democrats win the general election, and it seems that he is coming to claim the nomination, and perhaps the White House, four years later.

There are two rather esoteric theories to account for Mr Kennedy's recovery. The first is that he has been seen to suffer with dignity, that the great volatile American subconscious, having seen the last of the Kennedy humiliations and again, has at last pardoned him for being a Kennedy and claiming the presidency as a right and for Chappaquiddick and other personal shortcomings, and has concluded that the time has come to reward him for his courage in adversity.

The other theory is that people are at last paying attention to what the senator is saying and have at last come to accept his theses on national health, inflation, oil prices and so on.

These theories are both rather far-fetched—but how else to explain why the Jews of New York did not? The bad news on the radio came a couple of months ago and ought to have been widely discounted by now.

Nothing happened between Illinois and New York. This week's two primaries were very bad news for the President, and if his rival does well in Wisconsin next Tuesday, and looks like winning in Pennsylvania on April 22, then Mr Carter will have to come out of the White House to campaign, despite all his promises to stay there until the hostages are released. His explanation for the change of strategy will be worth hearing.

On the other side of the fence, Mr Bush, victory in Connecticut is much less significant. Mr Reagan can be defeated again, in Wisconsin, without his bandwagon slowing in the slightest. He would have to lose a really important state, like Pennsylvania, by a convincing margin for anyone even to consider that he could lose the nomination.

There is no sign of such a defeat on the horizon, and it is only grasping at straws for Mr Bush or Mr Anderson to tell winning margin for anyone even to consider that he could lose the nomination.

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US Elections



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S Koreans warned against double-dealing by North

From Jacqueline Rediff Seoul, March 27

President Choi Kwuhah has warned South Koreans to strengthen security against North Korea. He said that while engaging in a North-South dialogue aimed at peaceful reunification, the North was at the same time sending spies to infiltrate the South.

The President was addressing officials yesterday in the southern town of Yeosu. Earlier this week, three North Korean agents were shot after swimming over to the south side of the Han River, and two days ago the South Koreans claimed they had sunk a North Korean spy ship off their south-east coast.

The North Koreans have denied that any of their ships was involved in such an incident.

Military authorities in Seoul said that North Korean infiltrations are timed to take advantage of the present unsettled political situation in the South.

South Korea's ruling Democratic Republican Party announced today that four of its deputies were to be expelled for "anti-party" activities. All members of the party's executive council had resigned because they felt responsible for disturbances within the party and unable to provide effective leadership.

Two of the deputies face expulsion because they accused Mr Kim Jong Pil, the party leader, of revising its constitution to allow him to take over the leadership.

Thai pirates ram Vietnamese refugee boat

Kuala Lumpur, March 27

In what United Nations refugee officials described as the worst incident in nearly a year, Thai pirates rammed a Vietnamese refugee boat within sight of the Malaysian coast and killed or abducted 57 of the people on board.

The United Nations officials said today that initial accounts of the incident, on Monday night, put the number of dead at more than 30 and said that all those abducted were women. Sixteen of the refugees, 13 of them children, were rescued by fishermen.

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OVERSEAS



Armed guards stand by as one of the four surviving copies of Magna Carta arrives at Dallas airport for exhibition in Texas.

15 get death sentences in Tunis trial

Tunis, March 27.—Fifteen people were sentenced to death by the state security court here today for their part in the guerrilla attack on the Tunisian Army at Gafsa, a mining town in the west of the country, on January 27.

They included Fazel Sherif and Ahmed Merzouki, accused of supervising the attack in which more than 40 people, including three attackers, died and 111 were wounded. Two were sentenced to death in their absence.

Ten others were sentenced to hard labour for life, five of them in their absence. Five were sentenced to 20 years' hard labour and three to five years' hard labour.

A five years' prison sentence was passed on two people, one was sentenced to two years' imprisonment, two to six months' imprisonment and one was given a six months suspended prison sentence.

Out of a total of 59 before the court accused of involvement in the attack, 20 were acquitted.

The attack on the police and Army barracks at Gafsa was carried out by a group of guerrillas who crossed into Tunisia from Algeria. The Tunisian Government claims they were trained and financed by Libya.

Libya has denied the charges, claiming it was a popular uprising against the Tunisian Government. Tunisia subsequently recalled its ambassador from Tripoli and expelled the Libyan Ambassador in Tunis.

Agence France-Presse and AP.

Japanese cancel Chile invitation

Santiago, March 27.—Japan has cancelled the official visit which was to have been made to Tokyo this week by Senor Hernan Cubillos, the Chilean Foreign Minister, who was dismissed on Tuesday.

The Japanese Ambassador in Santiago, Mr. Goniichi Akazaki, said the invitation to Senor Cubillos had been personal and "non-transferable". Senor Cubillos was ordered to resign by President Pinochet after the official visit to Manila because President Marcos of the Philippines announced at the last minute that he would not be in Manila to meet him.

Agence France-Presse.

World Conservation Strategy

The need to preserve genetic diversity

Tony Samstag continues his examination of a report on the state of the environment issued by the International Union for the Conservation of Nature and Natural Resources.

An appeal to self-interest is evident in the World Conservation Strategy's discussion of the need to preserve genetic diversity.

The argument is that mankind has historically depended on very few indeed of the millions of species that exist or have existed; knowingly to cause a species, or even a variety or sub-species, to become extinct is therefore the most extreme, because irreversible, folly.

For example, "almost every coffee tree in Brazil descends from a single plant", say the anonymous authors of the strategy. "These and other crops in a similar position are extremely vulnerable to outbreaks of pests and diseases

Britain keeps low profile in the 'arc of crisis'

By David Spenser
Diplomatic Correspondent

A rather gloomy picture of what is happening post-Afghanistan emerged at Wednesday's meeting of the Select Committee on Foreign Affairs. The only part of the world where Britain is actively promoting a policy is in the Middle East, and even there one of the parties, Israel, is totally opposed to the British initiative. So the outlook is, at best, very doubtful.

In the other countries of the so-called "arc of crisis" Britain has not, it seems, got much to say.

Mr Douglas Hurd and Mr Peter Blaker, the Foreign Office junior ministers, explained how in Pakistan we were trying to provide support; that in Iran it was all too confusing to be sure of anything; that with Iraq our relations were deteriorating; that in Saudi Arabia, unfortunately, our very able ambassador is stuck in the wrong place, Jiddah, though in a few years the embassy will move to Riyadh; and that in the Gulf states it would be a mistake to try to rush things.

"It would not do the Foreign Office's reputation any good to speculate," Mr Hurd remarked when asked about the future of Iran. "I don't think it would do the Foreign Office's reputation any harm either," Mr Eldon Griffiths, Conservative

MP for Bury St Edmunds, replied darkly.

In reply to Mr Frank Hooley, Labour MP for Sheffield, Bealey, who asked about British policy towards the Palestinians, Mr Hurd finally showed some signs of enthusiasm. "We support the Camp David agreement and the autonomy talks," he said. "If they can work out an autonomy agreement which makes sense."

By this, Mr Hurd explained, he meant an agreement which covered land and water and ruled out future Israeli settlements.

It would not be right to despair at this stage, Mr Hurd went on, of something coming out of the autonomy talks. But there was a need to consider what to do if nothing did come out. That was why it seemed sensible to Britain, along with our partners in the European Community, to think about how to make a helpful contribution.

Hence Lord Carrington's idea, which he has explained at the United Nations, of "plugging the gap" in Security Council Resolution 242 by recognizing Palestinian rights, at the same time as reaffirming Israel's right to secure and recognized borders.

"We have discussed the matter with the Israelis, and they," Mr Hurd added with a straight face, "have discussed it with us."

Katyn spectre still haunts Poles

By Gabriel Ronay

The self-immolation of a young Pole in the main square of Cracow over the weekend was an act of desperation intended to draw world attention to the Soviet massacre of Poland's elite during the Second World War.

His placard, accusing the Soviet Union of the Katyn forest murders, reflected the view generally held by Poles of what they call "the crime of the century"—the mass murder of 14,000 Polish officers captured by the Red Army off the Nazi-Soviet partition of Poland.

Owing to Poland's membership in the Soviet bloc, the post-war Communist governments have naturally shied away from an impartial investigation and so Katyn has become a festering sore.

In the 1940s, the intelligence services of a dozen countries carried out ruthless operations

to obtain or remove vital evidence from the Katyn Forest as Nazi Germany and Soviet Russia accused each other of the massacre.

Officials were murdered, files disappeared, a key witness was found hanged, and other witnesses and experts changed their views as the tide of the war ebbed and flowed.

Shortly after the discovery of the Katyn mass graves near Smolensk, by the invading German Army in 1943, Sir Winston Churchill expressed his concern over the evidence implicating Moscow. He made it clear, however, that for the British Government victory over Nazi Germany took precedence over Katyn.

In his memoirs, Sir Winston recalled that during his talks with the Soviet Ambassador (Malsky) in 1943, "I did not attempt to discuss facts (about Katyn). We have got to beat the Russians, and we have no time for quarrels and charges."

El Salvador gun battle ends with 11 killed

San Salvador, March 27.—Eleven people died in a gun battle yesterday in Ciudad Barrios, the native city of the murdered Archbishop of San Salvador, Mr Oscar Romero.

The soldiers said that soldiers carrying out a house-to-house search for arms were fired upon from inside one house they approached.

The soldiers returned the gunfire. In the firing, nine people inside the house and two soldiers were killed. The authorities gave no further details.

A United States Embassy source said that all dependants of American diplomats in San Salvador were evacuated on Tuesday, one day after the murder of Mr Romero because of fear that the assassination may provoke a wave of violence.

Colonel Adolfo Majano, a member of the Salvadoran Junta, rejected a recent United States statement that Cuba was directly aiding Salvadoran leftists guerrillas with arms and men. He said there was "no evidence whatsoever" for it, though some Salvadoran leftists had received guerrilla training in Cuba.

The Revolutionary Coordinator of the Masses, an organization that groups most of El Salvador's leftists and their guerrilla allies, told a press conference last night that El Salvador had moved one step closer to revolution. The group declared itself to be on a war footing.

It said the death of Mr Romero, El Salvador's leading advocate of human rights, would not be in vain. His struggle against repression and injustice would be translated on to the battlefield.

The leftists would remain on a war footing until they overthrew the civilian-military junta which has ruled the republic for the past six months.

Señor José Morales Erlich, a member of the junta which is combating both left and right-wing opposition to its recently introduced social reforms, countered by saying that the left had realized it did not have the support of the people.

The Government has placed security forces on alert. Armed troops patrolled San Salvador and armoured cars were parked at key places after a spate of bomb explosions and clashes between security forces and leftists after Mr Romero's death.—UPI and Reuters.

Complaint by Petrosian to world chess body

Velden, Austria, March 27.—Tigran Petrosian, the Soviet grandmaster who lost a world chess championship quarter-final to Viktor Korchnoi two days ago, is to complain to the World Chess Federation (FIDE).

Mr Harry Golombek, Chess Correspondent of The Times and chief referee of the match, said the player held him partly responsible for the defeat.

Petrosian had alleged that Mr Golombek searched for a "lost" move during the fifth game. "This annoyed me so much that I lost the game," Mr Golombek denied the charge.—Reuters.

Correction: In our report yesterday of the ninth game, the 30th move should have read: P-N3, P-KR3.

FOREIGN REPORT

Inclusion of illegal immigrants disputed

American census Bureau at centre of several storms

When United States marshals and their helpers set out by foot, boat and horseback in 1790 to count people living in the then 16 states of the Union and the South-Western Territory they unaccountably missed Mr Thomas Jefferson, the Secretary of State and organizer of the country's first census. The oversight meant that he had to add his own name to a list posted in Philadelphia to catch all those in the city whom the census takers had failed to trace.

After a full 18 months of counting, this haphazard operation duly recorded that the total population consisted of just under four million "free white males, over and under 16, free white females, other free persons and slaves". This was the only information that the country's first census sought to clarify.

Nineteen decades later after what is being described as the biggest mobilization of manpower and other resources in America's peacetime history, the organizers of the 1980 census have no great worries about reaching respectable members of society like Mr Jefferson's successors. When the forms go out later this month, the organizers' attention will be focused on "capturing", in census jargon, those sectors of the community, like minority groups in urban centres, which are least likely to want to stand up and be counted.

The requirement to hold a census every 10 years is laid down in the United States constitution. An article I, Section 2, of that revered document explains, its main goal is to provide a basis for calculating direct taxes and the number of seats to which each state is entitled in the House of Representatives. Originally "unfree Indians" were excluded from the count and each slave was counted as three-fifths of a white inhabitant for the purpose of apportioning congressional seats.

With the abolition of slavery in the late 1860s, however, the formula was changed to give blacks the same numerical status as whites in the census count. Discrimination against Indians came to an end just before the Second World War.

The number of seats each state has in the present House of Representatives was, of course, determined by the last census in 1970. But the United States is now a country in which one in every five families moves home each year and such mobility of population is bound to be reflected in the composition of the 1982 Congress—the first to be based on the new figures provided by this year's count.

As part of its regular workload, the Census Bureau keeps a close watch on population shifts and its latest estimates

are correct as many as 14 of the current 435 seats will change hands in the next House of Representatives. States in the booming south and west like Florida, California and Texas would gain representatives at the expense of those in the urban north such as New York, Pennsylvania and Illinois.

In the past, this part of the census operation has proved to be fairly uncontroversial although obviously no state has liked to see a reduction in its voting strength in Congress. This time round, however, the Census Bureau has found itself at the centre of several political storms.

The problem that has caused the most headaches at the Census Bureau headquarters is a disputed hospital on the outskirts of Washington in the question of whether illegal immigrants should or should not be included in the count.

Ironically enough, a dispute which has developed into a legal confrontation between the bureau and an organization working to put a stop to illegal immigration might never have come about if the organizers of the 1980 census had not made a special effort to account for members of minority groups missed in the last tally.

After a post-mortem on the 1970 census, the bureau discovered that it had probably failed to count some 5,300,000 people, representing 2.5 per cent of the total population. More significantly, though, the margin of error was much greater among blacks: 7.7 per cent of whom were overlooked, that among whites, where a mere 1.9 per cent went uncounted.

With political power as well as the distribution of thousands of millions of dollars worth of federal funds directly linked to the information provided by the census, the outcry among minority groups was loud and immediate. Each minority group felt it was not getting its fair share of any particular pie," says Mr Dan Levine, the bureau's deputy director. "And of course they turned on the one organization which they thought should provide the best data—us."

In its campaign to reach even the smallest minority group, this time publicity is being distributed in such unlikely tongues as Tagalog, a Philippine dialect, and Thai, for example—the bureau has made no attempt to determine the legal status of anyone. This is in line with past practice.

But the decision to include illegal immigrants in the count has run into strong opposition from the Federation for American Immigration Reform (Fair), whose emotive acronym takes no account of the sensibilities of illegal aliens or indeed any minority group. The organiza-

tion's response to the census is to try to get the census from going ahead and illegal immigrants are excluded count.

Fair's view is that to include who are in the country illegally the "one-man, one-vote" principle diluting the population base congressional seats and federal apportionment for a while, which is an example that the inclusion of immigrants in the total population affect the distribution of up to 10 congressional seats. The exact number of illegal immigrants is unknown; estimates range from three million.

The Census Bureau, on the other hand, argues that the inclusion of illegals in the count is totally in accord with the provisions of the constitution and the "whole number of meaning the total population."

Moreover, any attempt to between residents who are in the country illegally and those who are not would certainly destroy public confidence in the census, a statistical exercise. Not on aliens probably lie about them they were asked, but they respond at all if such a question included in the questionnaire, quite reasonably points out.

So far the courts, including the Supreme Court, have sided with the Census Bureau and the count is to go ahead as planned. But the legal wrangle is like a fuse into the 1980s as preparations for the 1990 census.

Other problems confronting the Bureau have been less time consuming and more troublesome. They have a flood in the bureau's headquarters, put three of the main computer systems out of action, and addressing the 86 million mailings needed for the count, as publicized disputes over the fee of the man in charge of taking.

Mr Levine is not at all perturbed by the controversy which has surrounded the census. There have been problems in the past, he says, but they have been resolved quickly, a matter of public policy.

"The minute you attach dollar signs to statistics you have raised a controversy and very often the statistics are the ones who are blamed," he explains. "Before lived in a sort of an ivory tower situation in a quiet Washington but those days are now past."

David

Embassy siege

Colombia at the political crossroads

Whatever the final outcome of the seizure of hostages in the Dominican Republic Embassy in Bogota, fears are mounting that a new wave of repression will engulf Colombia—one of Latin America's most vulnerable democracies—once it is over.

Colombian democracy was not in very good health before the M-19 movement seized the embassy, but President Julio Cesar Turbay Ayala, struck by international criticism of human and civil rights, had hinted that he might lift some of his Government's most repressive legislation later this year. That faint hope has now vanished.

Today the Colombian people's finely-tuned sense of humour barely conceals growing concern about the future once, as seems the most likely outcome, the diplomatic hostages are freed and their captors (with or without the 311 political prisoners and 550m of the country).

Their nervousness is natural in the face of the most serious national crisis since the 1948 assassination of Jorge Eliecer Gaitan, the liberal politician and trade union leader. His death led to riots which wrecked much of Bogota, brought the nation to the brink of revolution and triggered the "Violencia" period of civil war in which 250,000 were killed before the military intervened in 1953.

The "Violencia" is a national nightmare so deeply engrained

that the Colombian consciousness that the leading left-wing weekly *Alternativa* has accused M-19 of kidnapping a backstabbing labour leader three years ago into a new "Violencia", this time of contemporary Argentine-style proportions.

That is the worst possible scenario. A more likely parallel is with Uruguay. Indeed, even before the embassy siege, many Colombians felt their nation had already reached a Uruguayan situation—with a pin-striped civilian sitting in the presidential palace as a front for policy-makers of a more kooky stripe.

Although differences from the Iranian hostage situation are obvious, it would be wrong to say that M-19 did not enjoy, at least before it took the embassy, a considerable groundswell of support among the urban poor and middle class.

Its basic aims—social justice and genuine democracy—are shared by most Colombians who believe that democracy was effectively killed by Liberal-Conservative ballroom-rigging in the first post-"Violencia" presidential election in 1970. The successful aim of the two main parties was to deny victory going to the populist Peron-style alliance led by Gustavo Rojas Pinilla the former dictator.

Nor has M-19 ever been a genuine "movement" in the classic Che Guevara mould. Urban warfare in Colombia is virtually non-existent and M-19 has always specialised in well-organized, daring and invari-

ably good-humoured stunts geared to "poke fun" at the Government and military. Apart from the murder of a corrupt labour leader three years ago (an act which damaged its "Robin Hood" image), its actions have generally appealed to Colombians' taste for the spectacular and absurd.

Although supposedly leftist, M-19 and its adventures are not a source of amusement to the Colombian Left. Enrique Santos Calderon, a much-respected communist on the Bogota daily *El Tiempo* and an influential member of the democratic socialist alliance *Firmes*, remarks: "M-19 has demonstrated a great mastery of organizing mathematically-planned stunts but a notable lack of perception in assimilating the repercussions."

He was referring to the last kidnapping—a military action last year—when the army was ordered to shoot at the rebels.

Another cause for concern on the Left is the damage M-19's action has done to the tradition of political asylum. Last year a flood of opponents of the regime were granted refuge in foreign embassies. Will the current diplomatic hostages be as disposed to help such people when they are finally freed?

The seizure of the embassy is indicative of Colombia's deepening political crisis, the most alarming feature of which is the people's total disillusion

and cynicism towards main parties which regarded as corrupt vehicles for the national interest.

Not for the President Carlos L. Trepo, the most recent of recent Colombian leaders, has given up calling for calm after the current election views in the national malaise of alienated corruption.

"We are not confronted with a national situation of repression, crime or isolated demonstrations but rather of a national situation of crisis, a crisis achieved by seeking all Colombians of a if the political parties the goodwill of it. They do not, as was the municipal and departmental elections last year, but were barely 14 per cent on record.

With the two parties held in such a stalemate and the democratic hopelessly splintered organization of fractions could be born country of 25 million wealth is distributed unevenly even by Latin standards; per capita hovers a little above \$1,000 a year, with urban areas growing in numbers.

Geoffrey M

Food Report

Changing lifestyles

Demise of the dining room

This week Food Report contends that the domestic kitchen is becoming obsolete in Britain. It will not disappear, of course. People will still need to wash their socks even if they cease to wash cups and plates. They will still need to store food even if they do not want to cook.

Nevertheless there is plenty of evidence that the importance of the kitchen in household layouts is diminishing. Once it was the scrubbed citadel of the lady of the house or her cook. Now it is being reduced either to a cubbyhole with room for a sink or freezer, or it is being merged with something else to become what estate agents call a "kitchen/dining area".

The most cursory examination of what marketing men call "the income situation" shows that there has been slow but inexorable change in the past generation. Building plots have shrunk, so that what was once a garden has been reduced to a morsel of space large enough for a dustbin, but for little else. Less than 25 years ago many of the cheapest new houses were built with a separate

kitchen and dining room, and often with a separate pantry as well. Since then the costs of land, buildings and the money with which to buy them have risen steeply.

Moreover, builders have been expected to provide garages on plots smaller than those where garages were not expected in the past. Something has had to make way for progress, and in the past 20 years the separate dining room has been the obvious casualty.

At the same time there has been a trend for families to eat less formal and elaborate meals, and to eat away from home more often than before. That may be surprising to those who rejoice in the opportunity to prepare their own food. Surely, they will say, the vast quantity of cookery books that floods on to the market, not to mention the hoards of recipes published in newspapers and magazines, are evidence of a strong interest in the art of the kitchen.

So they are. But interest does not necessarily mean action, and there is a growing number of householders whose culinary skill does not extend beyond an ability to boil in the bag and to

place the foil tray in the oven. It is difficult to say whether the demise of the dining room preceded the social trend to eat less formally, or whether it came in the wake of the trend. Whatever the order of events, the trend is very marked.

Dining rooms have disappeared in many builders' designs, and kitchens are shrinking. The pantry and meat safe have been superseded by the wall cupboard and the freezer. But most modern domestic appliances, has had to change its shape to accommodate itself to the tiny modern kitchen.

Ten years ago most freezers were long chests with ample space for a growing proportion of freezers are of the upright variety. In many modern houses and flats there is simply not room for the chest shape. In many households the main use of the freezer is not to preserve sides of meat and buckwheat hotpot, but to store vegetables, to reduce the number of shopping trips that the family needs to make.

The family which used to put a packet of 10 fish fingers in its refrigerator now puts 60 in

its freezer. There is evidence that people are time shopping than before. The weekly expedition to a large market has replaced the periodic foray to the shop with a single basket.

The reduced rig family life, the growing tendency of marriage to take paid work has down the formality of the formal dinner, the marketing men's ca domestic meal situation.

The modern housewife is instant soup, instant custard and instant coffee. If he can boil a stick of butter, he can produce a thing which is quick, raining, if seldom appetizing.

Meanwhile the opportunity for eating out, and for meals outside the home, are constantly growing, and once offered less than a sullen pie and sausage roll now sells for hot meals, often sent from the factory in steamers. With such variety at hand, who needs a

Hugh C

RTS

Coventry

let

much away, I as far as the Coventry. Andrew that long to turn characters into a gh the question it has begun with rogation: "What a e she is still alive vocation for the fashionable diver- first half, glimpses household arrange- sian message and tale of a neigh- vior in rural War- the main purpose rate how the sharp n Garrett (Carole turned everyone a murderer. The list of suspects igned husband, a enough by some- files to attempt a face her from the a shotgun. Also the door of the erted and suitably at station that she is recently dis- whom she pro- and sexually la has a vindictive offended by the ing trio of women the station. There al policeman who rched by Garrett rural farmer who ms and pigs under sound and in- titions. The list of suspects time the clues and only a spoil-

Azor

Theatre

Theatre

re et Azor is one verable versions of and the Best-fable, ty's true love re- leaux and turns him is original princely eate's handling of eno for this is a de- a few touches ap- of 1771. There is its original setting this Grétry makes hen Rameau used the music); there the Gothic in Azor's amoros its hideous appear- above all there is It is Grétry's and pity, her deli- e susceptibility, on- era finally turns way this is feel- estically French- sic is in many ways rejection of French aditions. But no asper, using the direct idioms of a could have found a German Singapo- One or two of the English operas of might, curiously we got near to it, without Grétry's sophistication, but Samuel Richardson. A Pamela, who had imitabilis movement- e bounds in charm, variety, too: several assertive pieces, he air for her own big caratura display the typical ensemble on for her and Sander ultimate scene; there comic numbers for

J. Pritchard

heard in the original version for soprano and small chamber ensemble. For some arcane reason or other, it was decided to play the full orchestral version, which tends to smooth the music's edges, lessening its im- pact, partly because it makes the instrumental contribution out of scale with the voice. But we heard an excellent perfor- mance of that version as such, with Alison Hargson reeling off her screams of nonsense syllables with something like brilliance. I assume that this programme was taped for later broadcasting, and the balance of voice and orchestra will probably then sound better.

Nector's Magazine

Carlo Rolly Morgan to famous confidant the Times, the literary epic Bentley, artist, this a guide and a book of the Month. Nector's used and pages of one for sale. 2.60p.

Killing a Chinese Bookie

Ritz

ELECTRIC CINEMA

rd MONTH John Huston's
MDEN "WISE BLOOD"
LAZA "ABSOLUTELY NOT TO BE MISSED"
-THE OBSERVER
We have 485 2443

Cassavetes's subtle improvisations towards reality

The Killing of a Chinese Bookie (AA)
Electric Cinema/ Little Bit Ritz

Silver Dream Racer (AA)
Dominion

Préparez Vos Mouchoirs (X)
Curzon

When Time Ran Out (A)
Warner West End

North Sea Hijack (A)
Ritz

Santiago Alvarez Season
National Film Theatre

John Cassavetes's *The Killing of a Chinese Bookie* exists, confusingly, in two versions, both apparently having the director's approval. The original, running for 135 minutes, first appeared in 1976 and was shown at various film festivals. Subsequently Cassavetes cut it to 109 minutes, to make a more conveniently acceptable commercial film. People who know both versions usually prefer the longer, which they find more characteristic of Cassavetes's idiosyncratic style, giving characters the opportunity to develop, often through improvisation by the actors, in their own time. It may be, too, that certain key scenes and characters which appear a little episodic in the shorter version are better explained in the full one.

The confusion, is material because, while audiences at the Electric Cinema will see the complete version, the only print available to critics and the public has been the shorter one. Unusually then, the advantage over the press. This much allowed, it is clear that *The Killing of a Chinese Bookie* is one of the best of Cassavetes's films, ranking with *Opening Night* which makes its late appearance in this country. The more surprising, formerly, it is a gangster

William Mann

Victor Hugo wrote his play *Lucrèce Borgia* as what we would now call a "shocker". In the same year, 1833, Italy's finest operatic poet, Felice Romani, turned it into a libretto which eventually found a corner in Donizetti whose music for it held the operatic stage for half a century or more.

The title role is a grand one for a majestic singing actress with a powerful personality; with the action of the play, and its music, are sombre, now and then relieved by an outburst of cheerfulness, as when the hero, Gennaro, and his young companions decide to go on the rampage. The result, *Lucrèce Borgia*, is effective, never obvious, musical invention, as recent concert performances in London have shown.

Az. Covent Garden had not been staged since 1888 until Wednesday evening when a new production, by John Copley, returned Dame Joan Sutherland to the house in a part which she has for some years been championing. It was a gala performance for the develop- ment appeal fund of the Royal Opera House, attended by the Queen Mother and the Prince of Wales. The dark, monu- mental settings of economy, had, for purposes of economy, been put together from old stock, but looked well and were neatly set off by Michael Stennett's bright costumes, and Robert Bryan's skilful lighting.

Lucrèce Borgia is no opera for "ma femme et cin- que poupées": the cast is quite large, and every member of it has something important to contribute. Dame Joan, in firm and eloquent voice, moving with regal aplomb, held the action together but shared the honours with her colleagues.

There was Alfredo Kraus as Gennaro, *Lucrèce*'s son (according to Hugo, by an incestuous union which Romani tactfully omitted to mention), eminently euphonious, artistic in vocal style, ideal in deportment, even when in the company of his drinking cronies. Anne Howell's acquired a new trouper-role, that of Maffio Orsini, and made it all ways important, not only in the once-famous drinking-song, "Il segreto per esser felice", a marvellous tune (unfortunately recorded long ago by Brastene Schumann-Heink).

As *Lucrèce*'s fourth husband, Alfonso d'Este, Stafford Dean made a welcome return to these shores, delighting us with his noble bearing and elegant bass timbre. In smaller parts the ear and eye were caught by Jonathan Summers's Galla, Robin Leggate's Liveroni, Francis Egan's Rustighello and

Silver Dream Racer... on the way to triumph and tragedy.

brief, unkind moments of joy- light. A sudden shaft of light from a suddenly opened door is like an explosion in these murky interiors which house the paltry dreams of Cassavetes's people.

Silver Dream Racer honours most of the traditions of the race-track film. David Essex is a cycle rider who makes his way from the East End to Sil- verstone, and the top, with the usual hazards of dirty-play rivals, financial setbacks, track accidents and love affairs. There is some novelty in the working class setting, but the real interest of the film, written as well as directed by David Wickes, is the way it appears and will inevitably be read by social historians of the future to reflect attitudes of our times.

Basic to the film is a sense of British resentment of American opportunity and wealth. The working class Lon- don boy, with all his skill but no boy, with all his skill but only a disintegrating wreck of a machine, does not disguise his envy of the glamour and lavish equipment of his Ameri- can rival; and the theme, emphasized by the bra- gadoise of the American aggressiveness of the persis- tent rider (Beau Bridges) per- sists throughout the film. More sur- prising, but perhaps no less symptomatic of current moods, is the violent, desperate pes- si-

mism of the ending: the hero having ridden to triumph, to the joy of friends, family and the British public at large, goes on to ride himself to a needless, fiery death.

The film's major asset is David Essex. I am not too sure about the songs he is given to sing on the sound track; but as an actor he is a wonderfully effective and persuasive under- player.

Some years ago, with the Italian film *Malizia*, the Latin cinema discovered the erotic potency of themes involving young adolescents' first sexual experience—reviving, as they must, perhaps the most thrill- ing nostalgic memory in every member of the audience. Since then such subjects have become commonplace in the bourgeoisie-style sex comedy characteristic of much French and Italian commercial produc- tion. Importation to this country has been inhibited in the last year or so, one sup- poses, by the vague threats of the Protection of Children Act which for a time served to hold up the release of *Pretty Baby*.

This special form of titilla- tion is, I suspect, the real rea- son d'être of *Préparez vos mouchoirs*, and the secret of its enormous commercial suc- cess. Obviously, though, it is a run-of-the-mill Gérard Depar-

dieu-Patrick Dewaere comedy. Depardieu accosts Dewaere, a complete stranger in a cafe one day and insists he give a hand with his wife who will not smile, barely talks, does not get pregnant, and just not get pregnant on all occasions. Dewaere, despite himself, gets interested in the problem; but the resulting ménage à trois spells to her other annoyances.

In the end she achieves hap- piness, fulfilment and preg- nancy with an intellectually precocious 13-year-old, follow- ing a night of sexual discovery, the script leaves you more human than amused by the human improbabilities. It is directed, in the standard man- ner of bourgeois comedy, by Bertran Blier; and the big pun- zle is how it came to get the Academy Award for the best foreign film of 1978.

When Time Ran Out looks like a disaster movie crafted by Monty Python. It has a luxury hotel in a Pacific paradise, filled with guests who stand around in worried clumps mut- tering "rhubarb", run and staffed by people with bad marital problems, and overha- sily collaboration of model makers and pyrotechnic experts. Since the little party that

trucks to safety has to negotiate mountain ledges over seas of molten lava it goes without saying that the complement in- cludes Burgess Meredith as a retired circus wire-walker. The party also includes, surpris- ingly, William Holden, Paul Newman, Red Buttons and Jac- queline Bisset. It is still more surprising to find this foolish film credited to two classy writers, Carl Foreman and Stirling Silliphant. It was directed by James Goldstone.

North Sea Hijack is margin- ally more amusing at the level of *Boys' Own Paper* adventure which is the specialty of its director, Andrew V. McLaglen. It too has its stars: Anthony Perkins as the leader of a gang which has hijacked a North Sea oil rig for £25m ransom; James Mason as the stuffy but sporty admiral in charge of things; and Roger Moore as Rufus Excalibur, the unorthodox expert who saves the day. Moore, as a bearded, alco- holic misanthrope and eccentric seems to have taken on the mantle of the late James Robertson Justice, though he does not handle his line half so well. Faith Brook offers an amusing portrait of a British woman prime minister.

Between April 1 and 10 the National Film Theatre is pre- senting a comprehensive retrospective of the work of the Cuban documentarist San- tiago Alvarez. Derek Malcolm, who has arranged the season, calls him "one of the world's greatest documentarists, and of its last great newsreel men."

Alvarez is 60 and started making films at the time of the revolution in 1959, when he left his job as music librarian at Cuban television. During all the time since then he has continued to turn out newsreels alongside his more ambitious documentaries (some of which run to two or three hours). He has been able, therefore, to record every stage in the history of his country. Beyond that, however, he has been a dominant in- fluence on documentary film- making throughout Latin America. His characteristic style is fast, fierce montage of film, stills, titles, posters, all accompanied by an equally in- tense sound track calling on popular songs, speeches and sound effects.

His most powerful lesson, however, has been that humour is not forbidden either to documentary or to revolu- tion. His films are often satiric, sometimes outright funny. Derek Malcolm's introduction to the programme quotes Alvarez as saying: "I want... to use images as powerfully as the capitalist world does to sell goods. The day we so- cialists promote socialism as well as capitalists promote consu- merism will be the day we win the world." Alvarez has done his bit, certainly, in that direc- tion.

David Robinson

An Optimistic Thrust Young Vic

Irving Wardle

On learning from the Joint Stock Theatre Group's pro- gramme that *An Optimistic Thrust* consists of written material, scenes improvised in rehearsal and improvisation in performance, one starts the evening wondering whether they have got a show as well. Evidently this doubt has also struck the company, who have footnoted their work with in- terpretative clues including Mrs. Alving's speech on the dead hand of the past, Dun- bar's *Timor Mortis* delivered by a death's head Scot, and a first- hand account of the Greek colonists' passing-out parade.

Most of this strikes me as unnecessary. You do not need these nervous digs in the ribs to spot the theme which binds most of the sketches, scripted and improvised, before they are called together in the final scene. The school passages, to my delight, offer the first public view of William Gaskill's work with comic masks since the mid- sixties. And I would urge any- one unfamiliar with it to make the most potent and under-used form of theatre magic; and to witness the rebirth of actors in the likeness of Jennifer Carey's masks. Julie Covington under- goes transformation now as an unutterably despondent wife called Doreen and David Kin- tou into her grotesquely speechless brother whose every change of facial angle threatens to drown the playing field in blood.

Against these, and a bouncy (male) blonde called Ariadne whose Daddy owns the school, the flogging, bar-brandishing staff do not stand a chance; hence the optimistic title. Mr Gaskill has often been called a teacher, and one of the even- ing's fascinations is to see him exploring the lunacies of the school's educational auto- biography, the production auto- biographies, and up looking uncom- monly like a good play.

Håkan Hagegård

Wigmore Hall

Barry Millington

Although still only in his mid- thirties, Håkan Hagegård has already been singing *Winterreise* in public for a decade. I doubt whether he can have given many performances as flawless in execution and as mature in interpretation as that at the Wigmore Hall on Wed- nesday evening. Often a song or two of this cycle are needed by performers to warm up, but Mr Hagegård held us in thrall from the very first number, "Gute Nacht" with his excep- tionally beautiful voice and superb technical control.

In "Der Lindenbaum" he showed just how a simple melodic line can be enriched, by gently pushing a rising phrase, by dwelling almost imperceptibly on the highest note of the verse: all this with- out destroying its essentially uncomplicated character. In his treatment of the various stanzas

trination. The tyranny of fixed ideas is variously exhibited in scenes of family life, newspaper readership and sexual blackmail—sometimes achieving variety at the expense of the two main narrative elements.

No lover of Dickens, I have never seen his work more pa- suatively played than it is here. The loud self-congratulatory jokes and patronizing character- ization that shriek at you on the page are muted and handled with a quiet respect that makes you wonder how this author can ever have been accused of vul- garity. The school passages, to my delight, offer the first public view of William Gaskill's work with comic masks since the mid- sixties. And I would urge any- one unfamiliar with it to make the most potent and under-used form of theatre magic; and to witness the rebirth of actors in the likeness of Jennifer Carey's masks. Julie Covington under- goes transformation now as an unutterably despondent wife called Doreen and David Kin- tou into her grotesquely speechless brother whose every change of facial angle threatens to drown the playing field in blood.

Against these, and a bouncy (male) blonde called Ariadne whose Daddy owns the school, the flogging, bar-brandishing staff do not stand a chance; hence the optimistic title. Mr Gaskill has often been called a teacher, and one of the even- ing's fascinations is to see him exploring the lunacies of the school's educational auto- biography, the production auto- biographies, and up looking uncom- monly like a good play.

In this song, Mr Hagegård demonstrated too his resource in matters of tonal shading. His partner, Thomas Schuback, who in finesse matched him phrase for phrase throughout the cycle, phrased out of the semiquaver triplets a highly plausible imitation of the whist- ling cold winds.

It would be impossible to do justice to the many subtleties of this *Winterreise* interpreta- tion, but one should not omit mention of two high points. The bitterly lyrical last line of "Letzte Hoffnung" provides singers with one of their finest opportunities; Mr Hagegård was deeply expressive, not by pulling the line about in a show of grief, but allowing it to speak for itself. Similarly in "Die Nebensonnen" Schubert paves the way, but it takes a great artist to draw the most from such a straightforward melodic line. In the closing "Der Leier- mann" Mr Hagegård had a noticeable and effective break in his voice for the hurdy-gurdy man, but he also had something in store for the very last line: a final eruption of despair—or was it defiance?

Some of the reviews on this page are reprinted from yester- day's later editions.



Joan Sutherland as Lucrezia Borgia.

particularly Paul Hudson's vil- lainous Gubetta. Much care and thought must have gone into this production of a powerful early romanti- cist opera. From records and con- cert performances, I know that Donizetti's *Lucrèce Borgia* has great musical merits. From this great performance it did not significantly gain cogency, but

seemed less telling than *Anna Bolena* or *Maria Stuarda*. Two other serious Donizetti operas which have now been revived successfully. I do not believe that the music of *Lucrèce Borgia* is inferior: the vocal septet, "Viva l'inferno", is a superb en- semble number, and there are many other solos and duets of high quality. Covent Garden's production is scrupulously cast. I can only conclude that the conductor, Richard Bonynge, did not care enough for con- trast and characterization of the music of *Lucrèce Borgia* to the occasion. A less starry cast may one day restore the opera to the repertory.

The EEC ro bad news fo a centre par

What will be the political effects of this country if Britain's budgetary dispute with the European Community is not settled satisfactorily? Among Conservatives there has certainly been both a hardening of opinion in some quarters against the Community and a more general weakening of conviction in the European cause. But there is no sign of any such far as to embarrass Mrs Thatcher. She can in all probability rely upon a sufficient measure of support in the party for any sanctions she may consider necessary, and acceptance of any terms she regards as reasonable. For the Liberals the whole affair must be upsetting because they are the party whose attachment to the EEC is most wholehearted and unequivocal. But one of the curiosities of the Liberals' electoral appeal is that they seem to have no precise relationship to what voters think of particular Liberal policies. It is quite possible therefore for popular support for the Liberals to be in the face of widespread public approval of the Community continues to decline. If a new centre party were to be formed, however, it is likely that its policies would be constructed to reflect the fairly and one of the policies that unites virtually all prospec-



for the long-term interests of the industry. As soon as the strike is over, BSC has to reopen serious negotiations with the unions on plant closure. Backed by the RUC, the unions are seeking a complete reshaping of management's blueprint for an industry only two thirds of its present size through a joint approach to the Government for a capital restructuring of the corporation.

However, if the terms of reference are rightly drawn, the issues raised in the joint docu-

Labour Editor

hard to unlike the party, so the chances of electoral victory would be correspondingly reduced. If there is no such commitment, the question then becomes whether the manifesto noises that are bound to be made by the manifesto are of such a nature as to tie the hands of a future Labour government.

The manifesto on which the party fought last year's election was not of that kind. The tone was critical, but the documents

Secondly, Mr S. "there are many" will need to be. Need in what sense simply an empty stating the par. Or did it imply country or a future government would notified that certain been met before stay in the Comm. conditions included that cannot be it is possible process could be that might come Britain out of the even without a withdraw in the. Once they were in office, Lab. would no doubt under strong p. take so drastic a deal might then whether a sufficient expectation had new negotiations by a formal decision?

Despite all that, the 1975 referendum precedent that he ignored membership of is in question? The referendum was instrumental for in, despite Labor doubtful if it for that purpose.

Running rings around the auction rules



Between 1927 and the 1960s no prosecution was brought under the Act—and auction rings continued to flourish. In

It is perhaps worth underlining how a ring works. The essence is that a group of knowledgeable dealers get together before a sale and agree not to bid against one another. Arrangements are

The extent to which the client selling at auction is successfully cheated depends fundamentally on the auctioneer. If he has miscatalogued a rarity and those who have spotted it agree not to bid,

made to bring a prosecution in that case that the shortcomings of the 1927 Act were discovered; no case was brought but the Act was amended. In the 11 years since then there has still been no prosecution.

The actual wording of the Act is: "If any dealer agrees to give, or gives, or offers any gift or consideration to any other person as an inducement or reward for abstaining, or for having abstained, from bidding at a sale by auction either generally, or for any particular lot, or if any person agrees to accept, or accepts, or attempts to obtain from any dealer any such gift or consideration as aforesaid, he shall be guilty of an offence under this Act..."

There are bidding partnerships which tend to act in the interests of the seller and others that act against it; it is generally unclear which way things will go until the sale takes place. For instance, suppose four knowledgeable

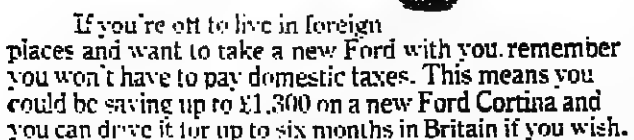
With prices for art and antiques as high as they are now, there is an immense amount of such partnership bidding. Some dealers, I am assured, have nothing in their shops which is not owned in partnership with someone else. But where such partnerships end and rings begin is a moot point. It is difficult to know where you start breaking the law. And even more difficult to know where this line

In some areas the market is so international or there are so many private collectors involved in auctions that such arrangements are unworkable. But this is the exception rather than the rule.


Saleroom Correspondent

Saleroom Correspondence

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FORD PERSONAL EXPORT 

*Experiments reported by L. A. Cernan and A. G. G. G.

Perhaps the chequered history of Latvia is most succinctly summed up in the different names given this century to the main street in Riga, the capital. Until the revolution it was called Alexander Street: during the short-lived independent republic it was called Freedom Street; in 1941 it became Adolf Hitler Street, and after the war it was renamed Lenin Street.

Larvia has always been at the mercy of its powerful neighbors. It was the Germans who came first—the Knights of the Sword, as the Teutonic knights were known, who conquered the Baltic shores under the guise of converting the pagans in the thirteenth century. Bishop Albert began a mighty cathedral in Riga in 1211—which took years to complete—and he became a member of the Hanseatic League.

But then Riga fell under Polish domination, followed by capture by the Swedes in the seventeenth century. It was created and then by Peter the Great and incorporated in the Russian Empire until 1919, when the Russians are back.

Each year left its mark on the city's architecture, and a variety of styles of the old century hatchback of styles. The mass of the tone and for y y dominated culture and mercé. In 1999 they constituted almost half the population paired with 23 per cent last year.

At the end of the last century during the boom days, an important Tsarist port. Rigorous a smart and fashionable Genghis city. Solid imposing blocks a

dicted to house the stock exchange. The first travel agency—Thomas Cook and Sons—the labour exchange and the opera (where Wagner spent a year as principal conductor).

These monuments to bourgeois prosperity now seem like a cruel joke. They look rather forlorn and shabby. Unlike Tallinn, the Estonian capital to the north where virtually the whole town is under repair, Riga is having to wait for its facelift.

A master plan exists to turn these cobbled alleys and little courtyards into a tourist paradise. But the money, like the traffic, but so far little has been done.

It has been enough of a job

It has been enough to make the Latvians feel the change of the New Order. The occupation which left half a million Latvians dead and virtually wiped out Riga's once thriving Jewish community. After the war the factories were rebuilt and the planners established new industry. This is not seen as a mistake, especially by the Latvian nationalistic youth. Labor was brought in from all corners of the Soviet Union to fill the new jobs. Russians, Ukrainians and Byelorussians flooded into Riga because of the higher standard of living and brought Russification. The population reached 800,000, out of a total of only two and a half million in all Latvia, further immigration was stopped.

Riga, like Moscow and Leningrad, is now a restricted city requiring a residence permit. No new industry has been authorized in the capital and the planners are trying to shift factories to other parts of the republic.

The great influx has left Riga looking more like an ordinary Soviet city than most other places in the Baltic republics. More Russian is spoken more fluently than in any other non-Russian part of the Soviet

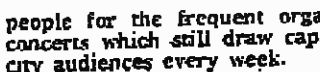
A high proportion of foreign tourists consist of émigrés returning to see their families—47 out of 200 groups last summer. But the numbers have been limited by a lack of hotel space. Ten years ago Intourist began a grandiose 700-bed hotel to solve the problem. But the stark skyscraper, plumped in the middle of the medieval city, was soon becalmed in bureaucratic bickering and its constantly receding target date for completion.

completion became a local joke. Brochures were printed telling tourists of the wonderful view from the restaurant on the 27th floor, but until a month ago no tourist could set foot in the unfinished building to have a look for himself.

Larvians have no love for the big blue box structure than maddeningly outdoors by three feet the elegant 13th century steeple. \$80ft of late Gothic structure of St Peter's Church. Still, as one guide remarked, at least the building timetable was in the tradition of Bishop Albert's ancient cathedral.

That cathedral used to be used by the Lutheran Church until the Soviet state took it over as a monument in the 1950s. It contains one of the world's most renowned organs—a magnificent 6,768-pipe structure built by German craftsmen in 1884 and still one of the largest in the world.

The Nazis had it dismantled to take to Germany, but recreated before they could do so. It was rebuilt and then restored in 1961. The cathedral aisle can hold more than 1,000



In religion Latvia is the point where East, West and South meet. The Russian Orthodox Church, 80 per cent of whose attenders are Russians, and the Roman Catholic Church, which ministers especially to the Polish minority, are approximately equal in strength with 14 Orthodox and 16 Catholic churches in Riga open for services. All those I visited on a Sunday morning were full.

The Russian Catholics also have a seminary in Riga with 30 students; not enough, according to Monsignor Wilhelm Nulks, the Vicar-General, of the main Catholic Church, but a compromise figure as captured by the church and not the atheist Soviet state.

The Russian Orthodox Church also has a convent beside the main cathedral. The 50 nuns range in age from 24 to 900, and Latvia is still grateful to them for saving the lives of 100 children during the war by buying them from camps where they had been brought to death to provide blood for the German army.

The war wrought greatest destruction on the Jewish community. All but one of the synagogues were destroyed. That one, now rebuilt, is the Jewish community of 28,000 (18 years ago there were 37,000, but emigration has reduced the figure). Last week the cellar of the synagogue was bustling with activity turning out the last batch of matzo—unleavened bread—before Passover. The people were happy. In the night, before dawn, the watchful eye of Rabbi Samuel Gurey vich.

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Micha

Michael

THE NORTH-EAST



A crane operator's eye-view of Swan Hunter's shipyard, Wallsend.

JOSEPH, the Secretary of State for Industry, last weekend announced substantial cuts in government assistance to regional industrial development agencies. For the North-east, where the Government Development Councils, this means a loss of £145,000 a year. At a time when the region is struggling for survival this 40 per cent government assistance can only have a concern.

Effort to promote the region has aid for and any curtailment in the Government's programme can only reduce the chances of the NEDC in attracting new industry. Local authorities within the region are ready to match every pound the Government is prepared to grant, recognizing that the creation of jobs is the only way to unemployment caused by declining industrial industries. The cuts mean recasting of NEDC operations is inevitable and this is the subject of a meeting of the NEDC executive today.

A distinctive area

Successive British governments have declined to add "North-east" to the "East of England" and "West of England" regions. It is in any case the most arbitrary special place; a recognizable part of the word "North-east" which is different from the rest of the country. The last government's definition of the Northern region was not to be confused with the North-west, which is a separate region. North-west takes in which consists of Cumberland and Lancashire; and as well as the counties of Northumberland, Tyne and Wear, and Durham.

North-east, whatever definition one cares to use, is different. Not only from the rest of Britain, but from the rest of northern England, which, in this correspondence, begins on the Chester-Grimsby line and ends on the Scottish border. Historically, perhaps, the difference can be traced back to 1076 when William the Conqueror gave one of the military and civil powers of the earldom of Northumbria. He was murdered fairly soon afterwards and one of William's numerous relations, half-brother Odo, pushed the dissidents in traditional style by laying waste the lands between the Tyne and the Tweed.

Some present-day inhabitants say the area has never been the same since, and that the motives of anyone also Earl of Northumberland and who operated their own courts. Mint and Exchequer, controlled their own army (almost permanently on active defence service on the Scottish border) and created their own barons until Henry VIII rationalized things a little. The difference has, of course, been perpetuated in more recent times by the 1955 recession and saying: "We are a nation of community spirit—mutual adversity."

The economic adversities of the North-east were first marked in modern history by the Jarrow marches. In that often quoted bible of Northern affairs, *The North Country*, Graham Turner refers to Alderman Sir Charles Alston of Stockton-on-Tees talking about the 1955 recession and saying: "We are a nation of community spirit—mutual adversity."

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apart. We have been the orphan of the storm, and to a large extent we still are." The North-east's economic problems are often blamed—like those of Merseyside and central Lancashire—on past overdependence on basic industries which have now gone into decline; in this area's case, coalmining and shipbuilding.

There have been other factors, however—until recently, long and slow lines of communication with the ever-important London; and what might be called the Andy Capp image, held about the area elsewhere. The latter means that the whole of the North-east, Northumbria, Geordieland, or whatever one cares to call it, is thought to have a backdrop of pithead gear and shipyard cranes; that the inhabitants speak an unintelligible dialect, and that the staple diet is fish and chips and Newcastle Brown Ale.

Valiant efforts have been made in the last quarter of a century to alter these adverse factors, both within the North-east itself and, it must be said, in the often despised and suspected corridors of power in London. Much has improved, particularly in the field of fast communications. Only the most parochially minded Southerners (and indeed equally provincial Glaswegians, Scotsmen and the like) are nowadays unaware of the special charms of the vast areas of countryside and coastline surrounding a fairly compact industrial area.

All but the few unfortunate who have not visited Northumbria recently are aware of the standards of arts and culture, of institutions and home-making to be obtained within walking distance of Newcastle Central Station alone.

Finance amounting to thousands of millions of pounds have been made available to try at least to bring the economic conditions to the level of the rest of the country. Official studies show that the general quality of life has become

inferior to that in the area of Jarrow marches some 100 years ago. In short, much has been done, but much still needs to be done, not least in the field of eliminating the economic disadvantage which is far too widely held in the Surrey woods and beyond.

conducted in recent years into the North-east's problems was that carried out by the independent Northern Region strategy team which produced its first report in March 1977.

Covering the whole of the government-defined Northern Region, including Cumbria and Cleveland, this set out the overall objective: "Increasing prosperity and the general quality of life, at least to the national average; and ensuring an equitable distribution of social and environmental benefits, and of new opportunities."

It stated that in many ways the North was "at a crossroads". It suggested that much more should be done to stimulate established, locally-based firms, so that they might play a much greater part in modernizing and developing the economy; and argued that the many government-sponsored projects to attract new and diversified industry from overseas and in other parts of Britain should continue.

In February last year a joint monitoring team of officers from government departments and from the five county councils produced its first State of the Region report.

It said that recent trends showed a complex pattern of favourable and unfavourable developments, which made it difficult to draw simple, general conclusions. On unemployment, rates and on these statistics hang all the hopes and fears of the North-east—it did not have much good news, and events since that report have confirmed its overall gloomy outlook. Unemployment at present is about 9 per cent.

The county of Tyne and Wear has escaped the cut in regional aid imposed by the Conservative Government, but in Northumberland, Durham and Cumbria substantial areas will be downgraded over the next two years. This tends to accentuate the feeling that the difficulties of the region are not fully understood in London.

This year is the 900th anniversary of the building of a new castle by one Robert Curthose, eldest son of William the Conqueror, on high ground overlooking the Tyne. The occasion is to be celebrated and, knowing the Geordies, one feels that while there may not be much to cheer about a lot of cheering will be done.

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THE NORTH-EAST

Pushing the boat out slowly

merings of a industry into a slump and millions of tons of shipping becoming redundant. However, millions more were on order and continued building.

Nobody wanted to build ships, and those who were building were doing so in a biased market. In the first quarter of 1978 there were 55 million tons of shipping round the world. Retirements and scrappings took place until at the beginning of last year there were 11 million tons. Ships are coming back into service and trade is now picking up.

Since nationalisation in 1977 British Shipbuilders had a high time through 1978 and most of 1979. Then at the end of last year orders started to pick up. Last August the group set itself a target of 45 new ships, the work on which would carry it through to 1981, the end of the two-year period given to it to achieve viability.

So far they are on target with orders for 30 ships, but British Shipbuilders are well aware they are by no means out of the wood. The government has set strict financial constraints and they have been given until July next year to get things right. The group believes it can be done by reducing costs and increasing productivity, to bridge the critical gap between costs and prices. Everything depends on whether the market returns to a state of equilibrium. One factor which may affect Britain's shipbuilding performance is the steel strike. At the moment there is no knowing whether the supplies required will be available. There is a great drive now going on in all British yards to narrow the gap between building costs and

ruling prices. British Shipbuilders have been successful in concluding a pay deal with the unions, which works out at an 11.5 per cent increase but one of the main planks of the deal is that increases must be self-generated. Another 3,000 jobs are to go by means of voluntary redundancies, cuts in excessive overtime and recruiting restrictions, a policy in which the unions are cooperating to the full.

Before nationalisation the shipbuilding industry had the fourth worst record in Britain for lost hours per employee through disputes. It has, in fact, dropped from 41 hours lost per employee in 1974 to 3.6 hours last year.

The North-east has been prominent in winning new orders. Of the 30 so far secured, about 18 have gone to North-east yards. Sunderland Shipbuilders are building three 31,000-ton bulk carriers and two 76,000-ton panamax bulk carriers. Austin & Pickersgill have orders for nine vessels, including some of the famous SD14 ships and some 26,000-ton bulk carriers. Swan Hunter is building two big new hunter submarine ships, the *Illustration* and the *Ark Royal*, and a 109,000-ton tanker for BP. Swan Hunter could deal with more merchant ship work.

Smith's Dock, which three weeks ago were looking gloomily at empty berths, suddenly secured two orders for banana carriers worth £2.5m for Coope Industries for delivery in the second half of 1981. This will give work to 1,500 men for 18 months. All orders were won against hefty overseas competition.

There are about 26,000 workers employed by British Shipbuilders in the

North-east and it is estimated that another 26,000 in related industries look to shipbuilding for their livelihood. The Tyne and Wear is an example of how the economy of a region is influenced by a single industry. Not only are smaller companies supplying the shipbuilding industry affected by its fortunes but so are countless service industries which rely on the prosperity of the people actually working in the industry.

British Shipbuilders, in turn, have recognized the importance of not remaining over-specialized in one sector and have diversified their activities to cover naval, merchant and offshore work. If the flow of orders continues at the present rate the industry will get over the hump of the next 18 months and start to make profits.

Mr Adam Butler, Minister of State for Industry, told the North-east Coast Institution of Engineers and Shipbuilders last month: "There is still a long way to go towards achieving the productivity in our yards which will make them competitive. The recent batch of orders must be a spur to further effort, not an excuse for a breather. The taxpayer is looking for his money to be put to best use. Time is not on our side. Our competitors, too, are striving to improve their ability to sell their products. Each day we have to make progress. They must be made to make profits. They do not want to, and they must not, go on as loss-makers."

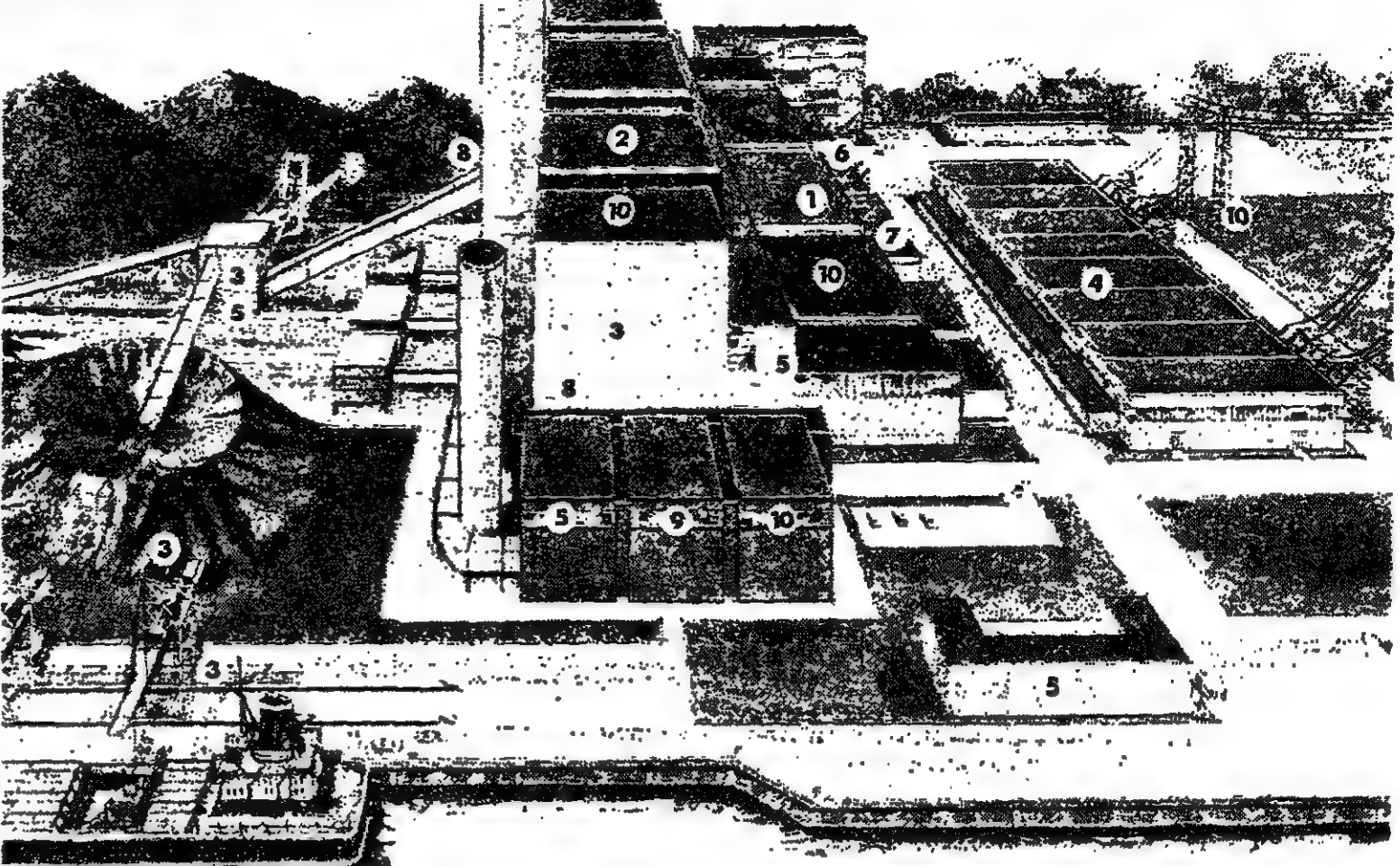
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NEI

Obs from oil: boom is over

It is no doubt that Oil, seen by panacea for the economic ills, has strength to the point of its impact on the North-east. The first place where oil came ashore, it came ashore in a complex, Teesside via a 12 pipeline with capacity of a million barrels a day. It is estimated that there are 60 people in the employed on a daily basis in activities with a hundred more in allied occupations. The Department of Energy recalls that in 1976, there were 8,300 jobs attributable to projects.

The pace of development, that the North Sea oil on the coast has passed its new focus of the new focus of the days when platforms were duced in North Sea and over and has now been opportunities associated offshore inspection and maintenance and

design throughput of a million barrels a day. The Ekefisk field was the first major oil discovery in the North Sea. This was followed by an accident of nature which prevented the oil being pumped to the Norwegian coast is really responsible for it being landed at Teesside.

ICI was quick to see the possibilities of security of supply and, in association with Phillips, established on a fifty-fifty basis the North Tees refinery operated by Phillips Imperial Petroleum with a capacity for processing five million tons of crude oil annually. This produces one million tons of naphtha and the remainder goes to petrochemical products. ICI, which has a share in the Nizian field, also takes deliveries from North Sea oil tankers into the North Tees refinery.

Shell has long had a refinery at Teesside, but is now taking some three million tons annually of North Sea oil. Its impact on employment is marginal. The refinery employs about 300 people directly. Maintenance work provides about 200 jobs on contract and when major overhauls are required this rises to anything between 500 and 600 people. Teesside refinery is basically an energy supplier. Among its products is naphtha, which goes to ICI for chemical feedstock, petrol, kerosene, central heating and diesel fuels.

In an industry seasoned to taking shocks and knocks, the 1976 creation by a Labour Government of the British National Oil Corporation was something of a surprise for companies with North Sea oil interests. The fact that the present Conservative administration has not promptly dissolved the corporation is almost as surprising to the private enterprise oil men. At the time of writing, the Department of Energy has not shown a great deal of alacrity in telling the world what their North Sea policies are likely to be.

It is true that Mr. David Howell, the present Energy Secretary, has expressed a desire for increased exploration, but the oil companies are interested in what is going to happen to their profits and taxes, to future licensing and their share of the blocks and whether the Government is a going to continue to buy up more than half the United Kingdom oil produced, or at least retain the option to do so.

They would probably like to know, also, what is going to happen to the BNOC and whether it is likely to expand its operations. If it does expand, perhaps more into overseas operations, more hardware may be needed and there is a nationalized shipbuilding industry in the North-east which can use all the work it can get.

In hot pursuit of chips

level of unemployment is twice the average, the North-east, and North-east in particular, is at all the steps to jobs. A long and history of declining industries such as shipbuilding, engineering, and other industries which require a high level of skill and effort.

The council describes itself as "a unique forum for regional endeavour" which, it says, cuts across political boundaries to give a unity of purpose and action. It is the largest of the English authorities responsible for attracting new industry, encouraging the expansion of existing industry and promoting export trade.

A survey last year by consultants made criticisms of the NEDC which the council promptly and forcefully rebutted. On the whole the development agencies know that they are unlikely to escape government cuts, even though rising unemployment, in their opinion, makes their work more important than ever.

The NEDC has become inured to criticisms and to forecasts of its future. It has tended to concentrate recently on seeking new industry from abroad and has fostered joint ventures with overseas and North-east companies.

In considering new industry, one turns naturally to micro-circuitry and silicon chips. The NEDC and other bodies joined in submitting a case for establishing Immos, the micro-electronics development, in the area; and everybody was disappointed, and a little surprised, by the announcement that the first manufacturing sector for Immos would be at Bristol, and not in the south Durham area as the previous Labour administration had pledged.

Undaunted, however, the NEDC is determined that the second manufacturing unit will go to the North-east and is preparing its case to try to ensure this. It has produced a list of companies which use micro-electronics, or are involved in their application, design or development. With research and training courses already established in the technology, the North-east feels that it has a start on other areas.

In other fields, the NEDC has had significant successes recently. International Air Caterers (Gatwick) are to establish a plant at Longbenton, Newcastle, with a staff of 30 increasing to 70 in two years. They will produce 600,000 meals at first, a million, it is hoped, at the end of the first year, and two million a year by the end of the second year.

One of the top 10 Norwegian companies, Dynoplast, has opened at Ashington, Northumberland, to recruit 30 workers and produce injection and blow moulded plastic products. The West German company, Vogel and Scheumann, of Hagen, has chosen Peterlee, Co Durham, for its first British manufacturing plant. It will employ 30

people at the beginning and intends to open by April. Critics might note that this company wrote to the NEDC: "We do not exaggerate if we state quite clearly that without the help and support of your organization we would never have reached a final decision to establish our subsidiary in northern England, or indeed anywhere in England."

In its last annual report, the NEDC noted that inquiries received by all agencies in the region rose by more than 40 per cent to 2,575. More than 80 per cent of foreign corporations established in the North are American, and it is confidently predicted that most of the new investment projects are likely to come, in the long term, from the United States.

The attraction clearly is that Britain is a base not only for the British market, but also a stepping stone to Europe. Foreign companies enjoy being rated as United Kingdom companies for tariff benefits and so on. With financial incentives offered by the British Government for new investment, a plentiful supply, and good communications to Europe, the North-east has much to offer.

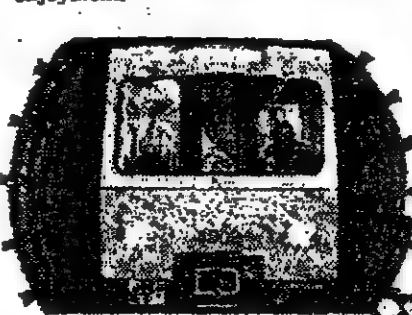
The latest development is the formation of a new North-east County Councils Association which works closely with NEDC and the regional office of the Department of Industry. A NEDC spokesman commented: "In the North-east we are working more closely together than ever before." One hopes it will pay off.

MAKE FRIENDS WITH NEWCASTLE

Since 1080 AD when, on the north bank of the Tyne, William the Conqueror's son built a 'new' castle, innovation and enterprise have been a way of life in the capital of North-East England.



Newcastle-upon-Tyne has shown a great ability to change and adapt, at no period perhaps more than in the last twenty years, but it still retains its unique sense of identity. Its people cling to their well-earned reputation for friendship, hard work and a great capacity for enjoyment.



Newcastle is a city very much of the age, having its expectations for the future on its strong cultural values. As it looks to the closing twenty years of the century it is determined to maintain its role as a leading European city. Newcastle already has the largest and busiest covered shopping centre in the E.E.C. and a brand new underground rail system. We'd like to show you our city, and throughout 1980 we are holding open house as we celebrate our 900th Anniversary. The very best of our business and industry will be on display at Exhibition '80, being staged by the City Council in

conjunction with Tyne and Wear County Council in September, when, gathered together at a city centre site, will be the evidence of Tyne's enterprise, expertise and endeavour with particular emphasis on the engineering and energy industry. Exhibitors range from the giants of North-East engineering to our newly developed micro-electronics firms.

In conjunction with the exhibition the E.E.C. will be staging a major series of conferences in our city, promoting the use of European finance and market opportunities offered by the community. It is this opportunity that Newcastle has a lot to offer and you would like to know more about us and the opportunities we have available for new development why not get in touch.



NEWCASTLE 900

For further information on the Exhibition and Conference contact: Chris Hammer, Economic Development Unit, Civic Centre, Newcastle upon Tyne. Tel. 0632 28520, ext. 5043.



City of Newcastle upon Tyne - Tyne and Wear County Council

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almost 2,300 modern bedrooms available in 34 hotels Aberdeen south to Doncaster. Swallow are the choice. The Central Reservation Service: 0783 77424 c: 53168. SHURE AND DETAILS FROM: LLOW HOTELS LIMITED, Dept. FT, Brewery, Sunderland SR1 3AN.

John Chartres explores the tourist attractions of Northumbria and Alan Grainge outlines two massive construction projects — the Kielder Dam and the Tyne and Wear Metro

Breathtaking scenery beyond the industrial strip

The North-east of England, still wrongly associated in many people's minds with chilly winds from the European land mass, industrial haze from the shipyards and factories, and people who speak like the actors in *When the Boat Comes In*, does not immediately come to mind as a tourist paradise.

Statistics show that it certainly does not strike many people as such either in Britain or in the rest of the holiday-seeking world.

A map giving "tourist nights per square mile per day" prepared by the English Tourist Board showed that the area conveniently called Northumbria averaged 13. This was the lowest figure recorded in England and compared with 405 in London, 59 in the Southern region, 45 in the South-east, 42 in the North-west and 34 in the West country. The English Paradoxically it may be that the relative absence of tourists and thereby the

The excavated Roman fort, Vindolanda, just south of Hadrian's Wall, is a favourite with tourists.

absence of "touristy" features provides the region with its special attractions to the discriminating.

Where else, for example, in crowded England can a motorist enjoy that rare sensation of driving over excellent roads, rolling over fells and valleys on a starlit night with full beam headlights on almost continuously?

During many a journey that this correspondent has made in breath-taking scenery such as the Upper North Tyne Valley, the Cheviots between Otterburn and the Scottish Border and into the fascinating little fishing ports like Seahouses, Boulmer and Craster, the most serious hazards encountered have been startled rabbits and slow-moving hedgehogs. Yet there is never any sensation of being in a wild and inhospitable place — an experience one can have on some of the Pennine roads between Lancashire and Yorkshire farther to the south.

Many of the misconceptions about the North-east arise from the fact that it does, of course, contain a large, densely populated area in the main devoted to the heaviest of heavy industry, and is, in a very

real sense, one of the workshops of the nation.

What is not always appreciated is that the industrial part of the North-east is neatly and tightly enclosed in a narrow strip running about 50 miles along the coast from south to north, seldom encroaching more than 20 miles inland, and terminating at its northern extremity round about Ashington at the top end of the old Northumberland coalfield.

Outside this strip the true North-east, or Northumbria if one prefers to use a word which is much more evocative and pleasing to the ear, there is a vast, almost undiscovered world of rolling moorland, of villages with their special charm and sense of permanence and tranquillity which no other human settlements in the world possess; and all along the coast from Tyne-mouth to Berwick-on-Tweed are some of the finest sandy beaches to be found in the kingdom of England, let alone the kingdom of Northumbria.

It has to be said that these same magnificent stretches of sand have one disadvantage to the average beach lover — they are only occasionally warm enough

to lie upon while clad mainly in a layer of sun-tan cream. On the other hand they are sometimes warm enough for that and they do even take on the humanly appealing appearance of geographically similar strands around such places as Blackpool, Southend-on-Sea, Torbay and Brighton.

Many of the North-east's attractions to the discriminating tourist lie in its history. Northumberland and Durham are steeped in it and a fair amount is to be found in between the tower passes of Tyne and Wear. Almost everyone, it seems, who played a part in major and minor military and political conflicts left something behind in Northumbria to mark the spot.

The Northumbria Tourist Board's official guide is entitled *Northumbria, the Historic Kingdom*, and tempts the would-be tourist by listing such attractions as "oak-smoked kippers at Craster; pony trekking in Kielder Forest; bargain hunting at Newcastle's quayside market; exploring Vindolanda's Roman excavations; eating venison at a country tavern; ghost hunting in Blanchland; exploring ancient battlefields;

sampling a Geordie music hall" — to name but a few of the joys.

Even this list omits the pleasures of the beverage called Newcastle Brown (which sustained the Durham Light Infantry and other noted military organizations through many a battle over many decades), nor of "a pint of Scotch" which happily has a very different meaning from that which might be implied further south. It also omits the clatter of coals and black boilers which can be bought as well as good beer in Balmora's Bar in Newcastle from whence a group of people departed to the Blaydon Races on June 9, 1862, thus earning themselves a place in posterity as a result of a jolly song written by Mr George Ridley of the same city.

Northumbria is a special place for the naturalist too. There are probably few more attractive regions for the serious ornithologist or the casual birdwatcher, with the Farne Islands, the Washington Waterfowl Park and the Glanton World Bird Research Station of particular importance. Apart from those reserves, the whole of the countryside and coastline usually provides some-

thing worth photographing or just looking at. Selling tourism in the region remains hard for all concerned and rather sad loss recent been the disappearance of the crowds of Norwegians pouring into Newn upon Tyne to shop in because of highly sale prices — some of even bringing their over for servicing.

Now the price advantage has closed to expect Norwegian officials are looking for as good being taken as "personal purchase and in any case the passenger sailings from years cancelled last as leaving only one week, vice from Denmark as with Scandinavia.

Previous "guesswork put the value of this special aspect of tourism at about £15m a year in fits to shopkeepers, 1 lers, taxi-drivers and prising little firms, the back doors of ston the docks. Its disappearance is regarded as one piece of bad news for region.

Transport system is pride of region

Britain's first fully-integrated public transport system, the Tyne and Wear Metro, will become operational in its initial stages in June. It is usually a source of regional pride and one that is justified by much more than the cost of £176m at 1975 prices. That figure alone makes the Metro the biggest project of its kind seen in Britain.

But while the North-east, as visitors are quickly reminded, pioneered Britain's railways the metro's rapid transit system is

something different. The metro is more than a railway: it combines the best of modern urban transport with the technology of modern continental tram systems. It is, in fact, a high-quality transport system integrated with an efficient bus service network.

The Tyne and Wear Metro is designed to carry up to 20,000 passengers every hour in each direction. It will form the heart of the region's new system, speeding passengers from many areas of Tyneside to new stations in the centres of Newcastle and Gateshead. New bus services will run within the areas served by

the metro to link up with most of the 41 stations on the metro system.

The metro project was conceived in 1971 when the former Tyneside Passenger Transport Authority was faced with the problems of providing the right quality of public transport for the 1980s.

A detailed study of the problem showed that the existing public transport services were not properly integrated and, as a result, the traffic congestion, pollution and frustration were becoming aggravated every year. It was also realized that the existing rail network failed to serve the

city centre and was no longer suited to modern travel demands.

In reconsidering the area's transport situation a number of possibilities, ranging from more investment in roads with many bus services to a massively-improved suburban railway system, were examined. These studies showed that the rail network offered considerable potential in the form of a super-tram system linked with a truly integrated network of buses, ferry and British Rail local services was a better alternative to the previously planned urban motorway

network. On its own track, independent of road congestion, the metro offered the solution to the area's public transport problems.

Work on the construction of the metro has produced at least three outstanding civil engineering achievements. One is the steel girder bridge over the river Tyne. Its span of 164.6m (540ft) is the largest on the river and its height is 24.5m (80ft) above water level at high tide, allowing unrestricted passage for shipping. The Byker viaduct, which has been commended for its striking design by the Royal Fine Art Commission, crosses the Ouseburn

valley at a height of (98ft) and is 520m (1,700ft) long with 18 spans.

The Monument station which is the centre of the metro system, is the largest of the twin-track stations of the north-south east-west routes cross in centre of Newcastle. too, is regarded as a civil engineering triumph. With the Monument station as its focal point the Tyne and Wear Metro will carry 50 mph throughout region and on both bank the River Tyne.

REVEALED!

How Mr. X used the system and gained a cool £¼ Million in one move

'It wasn't something I wanted to do at first' Mr. X revealed to me in an exclusive interview. 'But the more I thought about it, the more attractive the idea became.'

Mr. X was a typical businessman, hard-working and ambitious but hampered by problems — old and cramped premises, out of date machinery and never enough money to do anything about them.

Then he saw an advert about Peterlee New Town.

'It said that Peterlee was in a Special Development Area and that by relocating there I'd get all the available grants and benefits going, and possibly even assistance from BSC to buy new plant and machinery. In my case it added up to just under a quarter of a million pounds in grants.'

I decided to probe deeper. And that clinched it?

'Not just that' Mr. X replied. 'The ad also said that factories from 600 to 50,000 square feet were readily available, that there was room to expand if required and fully serviced sites from ½ acre to 40 acres available if I wanted to build my own factory. It talked about the existing labour force,

housing for key personnel and Peterlee's excellent communications links — positioned right on the A19, 10 miles from the A1(M), with Inter City 125 trains to London from Durham and Darlington, full port and docking facilities at nearby Tyne and Teesside and two airports within 25 miles...'

Mr. X stopped as if he had already said too much.

'So you relocated and collected the cash?' I asked.

He smiled.

'The temptation was too great for one man'.

'And the results?'

Mr. X leaned back in the chair in his spacious, airy office and pointed out of the window to his new factory premises, framed by green fields.

'Just look around you!' he said.

For further details on Peterlee New Town and the grants available contact:



Peterlee Development Corporation
John MacLeod,
Director Industry & Commerce,
Peterlee Development Corporation,
Lee House, Voden Way,
Peterlee, Co. Durham.
Tel. Peterlee (0783) 863366
Telex 537246

Taming the three rivers for the year 2000

In May 1970 the Northumbrian River Authority decided in principle to seek powers for the construction of a reservoir at Kielder in the North Tyne Valley and of an aqueduct linking the rivers Tyne, Wear and Tees. Work on this huge project began in 1974 with the reconstruction of bridges and improvements to highways, and the main construction work was started early in 1975. It is expected that the work will be finished in October this year.

From the time of its conception 10 years ago the Kielder Water Scheme has been an abundant source of facts and figures, most of them relevant, and it became the subject of fierce debate between the conservationists and those who saw the region's water supply resources as an urgent problem.

The debate was resolved long ago, and some of the facts can now be allowed to speak for themselves. The Kielder reservoir, for instance, will be just under seven miles long and its surface area of about 2,700 acres will make it larger than Lake Ullswater and three quarters of the area of Lake Windermere.

But the reservoir is only one component of the Kielder Water Scheme: the other is a 35-mile aqueduct from the Tyne to the rivers Wear and Tees in the south.

It is expected that the total cost of the scheme will be more than £140m. Happily, however, the full impact of this will not fall on the ratepayers of the North-east.

A third of the cost, about £46m, will be provided by EEC and British govern-

ment grants. Further assistance from the EEC will be given by way of reduced interest rates, and the rest of the money will be borrowed from the National Loans Fund.

The Kielder reservoir, with a maximum yield of 250 million gallons a day, is required to meet the region's needs until the next century. An indication of how urgent the water supply problem had become in the region are the estimates that the daily demand will reach 417 million gallons a day by 2001, while existing resources provide little more than half that amount.

Inevitably, the size of the Kielder project has inspired publicity descriptions which, even if they fall short of superlatives, provide a picture of its grand scale. The reservoir will be one of the largest man-made lakes in Europe and it will be in the largest man-made forest in Europe — although 1,500,000 trees had to be felled to make room for it.

The dam will be three quarters of a mile long and 170ft high — as high as Nelson's Column. In addition to providing the water needed for both domestic and industrial use Kielder Water will introduce many secondary benefits to the North-east. It will be developed for recreation and tourism, and one of the essential aspects of the scheme is the provision of a caravan camp, camping sites, forest cabin, and hotels.

The flooding of Kielder Water is expected to begin in December, but it will be the spring of 1982 by the time it is filled.



Timely money.

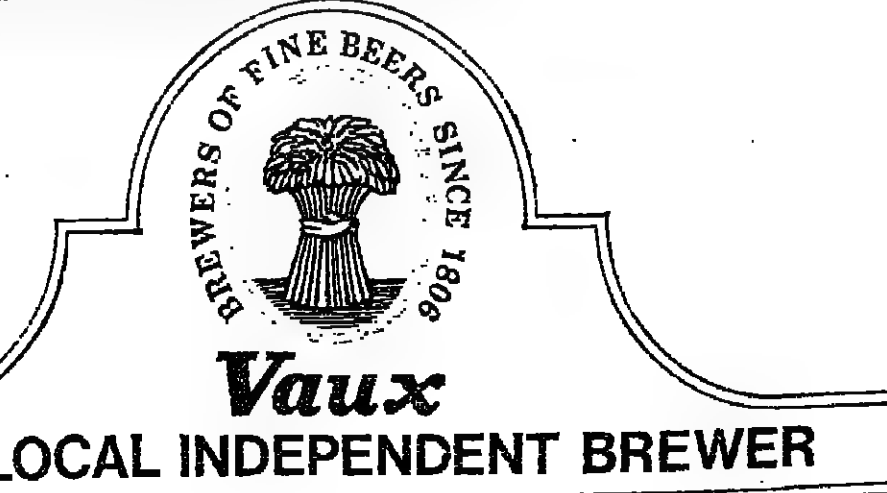
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THE LOCAL INDEPENDENT BREWER

It's routine visit to Germany France is more impor- the str

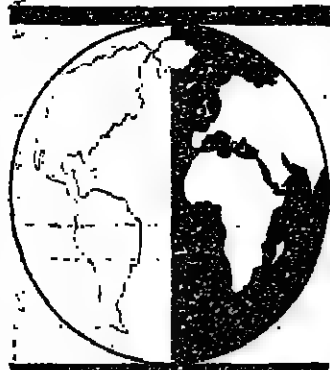
Afghanistan showed up both actual and potential fissures in

Here Schmidt now sees an answer in the division of labour among members of the alliance, with each tackling the problems it knows best. Thus Britain does its bit in Zimbabwe, for instance, while West Germany gives substantial aid to Turkey. There is sense in this provided it does not become a way of avoiding common policies and common action. The fact is that differences over the response to Afghanistan were neither inevitable—if there had been better consultation—nor particularly constructive. They arose largely from individual countries taking a too narrow view of their own interests. The European alliance has the potential as a way of relieving the stresses of the European and Atlantic alliances.

ward of 60,000 students," says Lord Williams (March 25) in his latest essay about the problems of the Welsh identity. Unfortunately there is only one way of arousing the great British public to the slightest interest in the future of the Welsh language and culture—breaking the law.

But the *Times* last have an editorial in support of the fight for Welshness, surely one of the noblest and most fascinating social struggles of our time? Today we have a Secretary of State for Wales who hasn't even bothered to learn the Welsh language; we wonder our future leaders defy the law and wonder so many of our respectable elders secretly, and perhaps even avowedly, sympathize with them.

Yours faithfully,
IAN MORRIS,
Secretary, Libers,
Llanystumdny,
Gwynedd,
Cymru.



EEC says US Steel's claims are 'excessive'

The EEC Commission yesterday said some of the claims made by US Steel in its anti-dumping suit against foreign exporters are "excessive".

It applied the decision of Bethlehem Steel, National Steel and Inland Steel not to follow US Steel's example.

The Commission strongly denied it was contemplating any sort of retaliatory action. "The Commission, for its part, will do all it can to prove that the complaint is unfounded," the statement said.

It repeated its view that the Carter Administration's suspension of the trigger price mechanism was regrettable, saying this could drastically reduce European deliveries to the United States and at the same time weaken resistance to protectionist forces.

Canada's zero growth

The Conference Board has forecast zero real growth for Canada in 1980, revising its previous forecast of 0.7 per cent growth because of the worsening United States economy.

3.9 pc production rise

Japan's industrial production index rose a sharp 3.9 per cent in February to a preliminary 145.2 (base 1975=100), seasonally adjusted from 139.8 in January.

China talks to IMF

Negotiations on the possibility of China joining the International Monetary Fund are being held in Peking in the utmost secrecy. An eight-member IMF mission arrived on Tuesday at the invitation of the Bank of China.

Swedish price freeze

The Swedish government is introducing a general price freeze until May 9 to help introduce a new central wage settlement.

German surplus widens

The West German trade surplus widened in February to DM460m (£109m) from January's DM342m, according to the Federal Statistics Office.

Record car exports

Japan's car exports reached a record 486,180 units in February, an increase of 21.8 per cent from January and 42.5 per cent from a year before.

Loan for Greece

The European Investment Bank has granted a loan for 20 million units of account (about £12m) to assist with financing industrial and tourism ventures in Greece.

Government pledged to early decision on plans for shipbuilding Facing up to a handover of the shipyards

Over the next few months the Government will take a firm decision on the timescale for its plans to implement its commitment for the denationalisation of the shipbuilding industry.

The prospect of a hiving-off of the profitable shipyards in the first instance will be a prelude to offering back the whole of the industry, although on present prospects the chances of securing buyers for the merchant yards, is to say the least, remote.

But union sensitivities have been ruffled considerably by a discussion which senior officials of the Confederation of Shipbuilding and Engineering Unions had with Mr Adam Butler, Minister of State for Industry, with special responsibility for the shipbuilding industry. He made it clear that the commitment to divest remained, and the union leaders deduced (quite accurately) that it will be sooner rather than later.

The message handed out by Mr Butler was reaffirmed yesterday by Sir Keith Joseph who said a decision would be taken in the next few months, although it might not be the final

decision. The indications are that as a result of growing back bench pressure, ministers are being reminded rather more frequently of the pledges made before and during last year's General Election.

The shipbuilding industry is proving to be something of a headache for the Government given that last July a two-year lifebelt was thrown to British Shipbuilders. It is within that framework and the financial regime laid down by the Government, that the State shipbuilding corporation has to work in the period to July next year.

But as its current financial year draws to a close it will just be inside the £100m loss limit for the year—the financial wizards at ES are doing their sums for the next financial year.

This year has been a bit of a struggle. The external financing limit was set at £250m and the loss limit at £100m after crediting cash from the Government's intervention fund—the pool from which ES can draw subsidies to narrow the gap between United Kingdom building prices and those of its competitors.

But the lifebelt, which Mr

Butler tossed overboard last year, is not all that it seemed at the time, because it represented a financial target limiting its trading loss. Before crediting intervention fund assistance to £90 and an external financing limit of £120m.

It is against the strengthened financial circumstances and the tough limits involved that ES is now busily compiling a plan on the difficulties it will face in meeting the target.

Although ES is two thirds of the way to its 45 merchant ship order base load, the executives of the State shipbuilding concern are not a little worried about the Government's failure to translate its pledge to advance public sector orders to the benefit of the state yards.

This is posing problems for a number of yards not solely in the specialist, warship sector where there is some prospect of orders from the Budget Committee to lift defence spending, but particularly in the mixed yards.

Apart from a few minor craft the level of public sector orders which had been hoped for has been abysmally low. Similarly the high level of sterling has mitigated against the warship builder's efforts to secure ex-

port contracts which have long been a useful source of work and revenue.

But denationalisation prospects could well serve to obscure the real financial problems faced in the short term, and the Government is already faced with a comprehensive revision from the CSEU which totally rejects the idea of partial or full scale denationalisation.

The latter, seems somewhat unrealistic and improbable but there is no doubt that the shareholders of Vespene, Yarrow and Vickers, the warship builders, who are growing angry and bitter over the delay in payment of compensation on nationalisation, see more than administrative and bureaucratic red tape as the reason for the delay.

The changes in the higher echelons of the board add a further dimension to the confusion and anxiety now being experienced at British Shipbuilders and for them, and for possible private sector purchasers, the Government's decision will be eagerly awaited.

Peter Hill

NEB backing for new microcomputer device

By Kenneth Owen Technology Editor

A new company, Technolabs Computing, has been set up with National Enterprise Board's backing to produce a microcomputer device for use with videodata and telex information systems.

Known as TECS (Technolabs Expandable Computer System), the product is in essence a videodata terminal with local information storage and normal data-processing facilities. Pages received over the telephone network using the Post Office's Prestel service, or broadcast by the BBC's Ceefax or ITV Oracle telex system, can be stored on a flexible magnetic disc at the terminal.

Pages can be created at the terminal and stored either on the local flexible disc, or on videodata and telex information systems, or, if appropriate, on the Prestel system. Pages can be printed out, if required, using an optional add-on printer.

The new company will be managed by Sapling Enterprises, a management and finance group set up last year jointly by the NEB and Collinson Grant Associates. Sapling will also provide finance for the new company, and has arranged for sub-

contract manufacturing by Rigby Electronics of Manchester, another Sapling company.

The entrepreneurs behind Technolabs Computing are three Liverpool electronic engineers—Mr Laurence Cook, Mr Andrew Polkowski and Mr Michael Siddles. Their predecessor company, known simply as Technolabs, is exhibiting at the international videodata exhibition at Wembley Conference Centre this week, where the TECS has provoked much interest.

The National Enterprise Board's investment in the formation of Technolabs Computing represents an investment in the NEB's north-west regional board.

Another NEB enterprise, the board's Aegon subsidiary (formerly known as Videodata), has announced a £1.1m loss for its first year's (actually 10 months) operation. Revenue for the year was £1.8m, and the loss is attributed mainly to the cost of market and product development, which is written off as incurred. Total NEB investment in Aegon up to the end of 1979 was £4.1m.

Further finance needed by Aegon is expected to come from both the NEB and the private sector.

Burmah asks judge to free sale documents

Another round in the legal battle over the contents of Whitehall documents which Burmah Oil wants to be disclosed for its pending £179 million action against the Bank of England opened in the High Court yesterday.

Burmah asked Mr Justice Wilford to order the Bank to disclose five documents containing minutes which passed to government ministers or top officials when terms were being negotiated for the sale to the Bank of Burmah's substantial holding in BP.

The company's move for disclosure is opposed by the Crown, which says it would not be in the public interest.

In its pending action, Burmah is claiming the return of BP shares which it alleges the Bank acquired under value when Burmah was in financial difficulties in 1975.

Mr Leonard Hoffman, QC, representing Burmah, said it was complaining that it was placed in a position of "complete inequality of bargaining" with the Bank.

Mr Hoffman recalled that last November the House of Lords upheld a government ban on another set of documents Burmah had wanted to be disclosed. Since those proceedings, the Bank had listed further docu-

ments whose disclosure had been prohibited.

Mr Hoffman said the Crown compelled Burmah to play "guessing games" with the documents. "We have to surmise from what description we have what it is that they are likely to contain before the judge looks at them to decide what they do contain."

"It is an odd exercise. We have concentrated on five we think the guessing game can be played with the most likelihood of success."

He said that Burmah's 21.6 per cent shareholding in BP had been pledged to the Bank as part of an earlier rescue operation. Burmah later found it needed cash and the only way was to sell its BP stock.

A suggested arrangement for the Bank to buy the holding and allow Burmah a share of any profit on a resale was reported to have met with some hostility by the Bank's "Whitehall partners".

The company was later presented with a new non-negotiable package without profit sharing.

Mr Hoffman said the Bank's governor and deputy governor had said a profit-sharing agreement would have been reasonable.

The hearing continues today.

Success for Iceland's adaptable fishermen

From Michael Frenchman Reykjavik, March 27

Britain must stick up for its rights and fight for its fishing grounds if its fishing industry is to survive. That is the general view taken by leaders of Iceland's booming industry, which last year had a record catch of 1.6 million tonnes, nearly 100,000 tonnes more than in the previous year.

There is a great deal of sympathy here for the fishermen of Hull and Grimsby who have been offered a pitiful £3m aid

by the British Government—a sum not much more than the cost of a single fully equipped deep sea trawler. In sharp contrast millions of pounds have been spent on modernising the Icelandic fishing fleet.

Since 1973 the number of vessels has been gradually reduced. Ships have been lengthened and fitted with new equipment or replaced altogether by changes which also reflect the substitution of capelin fishing for the declining herring stocks. Capelin is a pelagic species like herring, which is processed for oil and fish meal but does not

have such an economic yield as the herring.

Mr Agust Einarsson, of the Federation of Icelandic Fishing Vessel Owners (LFO), said that the number of capelin vessels had fallen by more than half since 1973 to 53 today. Total capacity of the capelin purse seine fleet was about 35,000 tonnes which averaged about 400-600 tonnes capacity per vessel.

He estimated that it cost about £500,000 to modernise an old herring boat by lengthening and giving it an enclosed bridge deck and thus turning it into

an up-to-date capelin vessel.

The cod fleet now consisted of 81 trawlers representing a total insured value of £96.5m. Cod is Iceland's most valuable fish and about 50 per cent of the catch (567,973 tonnes last year) is taken by the 100 small multipurpose vessels of between 21 and 50 tonnes which spend about 200 days a year at sea with long lines and gill nets.

Another group of 140 slightly larger vessels of between 50 and 110 tonnes also go in for long line fishing and trawling in the summer.

LETTERS TO THE EDITOR

Damaging effects of building inspection fees proposal

From the President, the National Federation of Building Trades Employers

Sir, The National Federation of Building Trades Employers believes that the Government's proposals to charge fees for building control inspections and approval of plans—set out in "The Building (Prescribed Fees) Regulations, 1980"—should be reconsidered as a matter of urgency.

As they stand, the proposals laid before Parliament on March 11 and due to come into effect on April 1 would almost certainly have the diametrically opposite effect to that intended.

By this I mean that the imposition of the scheme is presumably to enable local authorities to raise additional revenue, whereas interpretation of the proposals, particularly the method of charging, is already providing instances of local authorities recruiting additional staff, or engaging outside contractors to cross-check the validity of fees.

Any scheme based on a proportion of work being subject to charges, as this one is, will inevitably lead to disputes between builders and local

authorities over interpretation and charging.

Such disputes would require a whole new army of bureaucrats to resolve them. I cannot believe that a government committed to reducing bureaucracy can have appreciated the heavy additional burden it would be imposing on local authorities administering the scheme.

Moreover, the NFBTE objects in principle to the charging of fees for this type of work. We believe that, as happens in areas such as weights and measures, food and factory inspections, such costs should be borne by government at central or local level.

But if the Government is determined to impose what is, in effect, an additional "tax" on our industry then at least the proposed scheme should satisfy three main criteria:

—It should be capable of clear interpretation by the parties involved; —It should be equitable in application as between different types of work and sizes of contract; —It should be clearly set in the wider context of the future operation of the building con-

trol system as a whole, and which is under review.

The scheme as proposed, meets none of these criteria. If the Government ahead with such ill-considered proposals, surely he is embarking on a policy which will cost the country dearly.

Certainly, the direct cost of this scheme coming into effect on April 1 would be heavy additional costs building industry—costs which would inevitably be passed on to the consumer in higher prices for building work.

NFBTE therefore urges the Government to draw this Order and to further detailed consultation with our industry over the proposed scheme.

Yours faithfully, JOHN ALLEN, Secretary, National Federation of Building Trades Employers, 82 New Cavendish Street, London W1M 8AD, March 25.

Expansion of Britain's coal industry

From the chairman of the National Coal Board

Sir, Your energy correspondent's reference (March 24) to financial changes which may be included in the forthcoming Coal Industry Bill reveals a fundamental misunderstanding of the industry's objectives.

When the world energy situation changed dramatically in 1973/74, the Coal Board came forward with a plan for the re-expansion of the industry, following on 15 years of imposed rundown. It was made clear in the new plan—and accepted by government—that a swing from contraction to expansion in a large-scale basic industry, with long lead times, would present many problems.

In particular, if the expansion was to be achieved in time to meet the anticipated increased demand for coal after oil supplies had reached their peak, the industry would be unable (because of the previous prolonged period of rundown)

to generate all the funds required for the accelerated investment programme. There would be an inescapable need for substantial external borrowings, entailing a growing interest and repayment burden. It was therefore agreed that some measure of state assistance would be required during the build-up period.

Since the industry's expansion plan was agreed, the investment envisaged in that period has been undertaken, output and productivity are rising, financial objectives are being met and the industry has established itself as one of the most technologically advanced mining enterprises in the world.

Yours faithfully, DEREK EZRA, Chairman, National Coal Board, East House, Grosvenor Place, London SW1X 7AE, March 26.

Effects of inflation

From Professor Antony Flew

Sir, Rarely can you have received, and still more rarely published, so brief and blatant a manifesto of aggression and irrationality as the letter from T. Taylor to which you give pride of first place today (March 26).

He writes, not without a measure of truth: "Very few of us escape the effects of inflation but, except possibly in wage negotiations, nobody suffers distortion by inflation." But he does not want us to draw the sound and urgent moral, that anyone who wants either to know or to represent what is actually going on necessarily has to take account of these distortions. Instead, he concludes: "Everything is distorted by inflation, so why try to cover embarrassingly high profits by using such a meaningless phrase?"

But that phrase is, alas and

of course, not meaningless but, on the contrary, crucial to our understanding of absolutely everything measured in money terms. Certainly, if my pay has not in the last year risen by more than the rate of inflation, my cost of living index, then my income has in real terms declined. But, equally, certainly, it is only to the extent that somebody's profits have risen faster than the rate of inflation that index that somebody's profits have in real terms declined.

And, precisely in so far as people like Mr K. T. Taylor do refer to distortion by inflation when referring to wage negotiations, but nowhere else, they are being both arbitrarily irrational and systematically irrational.

ANTONY FLEW, Professor of Philosophy, University of Reading, Whiteknights, Reading, RG6 2AA, March 26.

Wide scope of public relations

From Mr Norman Hart

Sir, I would like to add a further dimension to the excellent overview of public relations by John Sudell as President of the Institute of Public Relations on the matter of upholding high standards. (March 25.)

Not only is press relations simply a small part of the whole, but public relations itself has expanded rapidly over the past five years to embrace all aspects of corporate affairs whether on behalf of a commercial organisation, a local authority or indeed government. It has become a

deliberate and planned management function designed to ensure that good lines of communication exist both to and from an organisation and all its publics.

Perhaps of the greatest importance in terms of "standards" is the emergence of a second generation of public relations who have studied and qualified for a Diploma in Public Relations, the nationally recognized qualification administered by the CAM Foundation on behalf of all branches of PR, business. Certainly CAM

students and graduates are found to be "unhappily incompetent" having no idea of the three-year or instruction and gone a very stretching exam conducted by the top officials in the business.

Yours faithfully, NORMAN HART, Director, Communication Advertising Marketing Education Foundation Limited, Albion House, 15 Wilton Road, London SW1V 1NJ.

UK lagging behind in data protection

From Mr C. P. D. Davidson

Sir, The article by Rory Johnson (March 26), in which he poses the headline question "Do computers really threaten our privacy?", sheds further light on a matter which has remained in the shadows too long. But in doing so it further underlines the complexity of the issues involved and the scope that exists both for misinterpretation of the nature of the problem and misunderstanding of the steps that are necessary to achieve a solution.

At the root of the matter are three fundamental facts:

1. There is a growing world dependency on stored information.

2. There is public awareness of increasing vulnerability to the use or misuse of personal data, the existence of which may be unknown to those concerned, and possibly inaccurate.

3. Great Britain is trailing behind its overseas trading partners in the matter of introducing data protection measures.

Mr Johnston, while apparently accepting this scenario, proceeds both to question the efficacy of the Lindop proposals aimed at preventing abuse and to deliver journalistic swipes at many of the more positive arguments that have been levelled in the controversy.

He suggests that the computer threat is exaggerated—that even if it is real then effective cross-border controls are impracticable and even if they are

practicable they may not be desirable in face of possible misuse by governments.

It is true that existing law can be of use in preventing some forms of data abuse; but that protection is very far from comprehensive as it stands and general criminal law can never be equated with the safeguards of bespoke data protection legislation—specifically designed to cope with the "data mountains" of the future.

It is also true that most companies implement data security systems but such security is frequently lacking, for financial reasons, in the public sector systems.

Mr Johnston is certainly correct in stating that legislation is exceptionally difficult to draft. It is for this reason that Lindop recommended a data agency which could sound Britain's voice at the several European forums now seeking a harmonized approach to the problems.

An agreed code of practice, leading in five years to legislation, forms part of the Lindop recommendations. Certainly, as the article states, Parliament is not the place for these rather esoteric discussions but a properly constituted body with access to specialist knowledge could speak powerfully for Britain and give guidance to many of us who have to wrestle with the difficulties.

The problem will not go away and it will get more complex. Britain's views are not being taken into account in international deliberations, particularly

those at the Council of Europe and until we have an active body to speak for us is cause for concern.

Any club, it is the active participants' members' who the time and those who passively have to take decisions in the long run.

Britain, by its failure to agree a policy on data protection and therefore its strong influence on the European Convention, is likely to find it just that position. We then have no option but to line up with the majority on a legislative basis which would have little influence on formulating.

Mr Johnston may imply the legislation is too difficult to draft. It is for this reason that Lindop recommended a data agency which could sound Britain's voice at the several European forums now seeking a harmonized approach to the problems.

Whether our EEC partners are indeed concerned is, I submit, a question of consequence to the centre, in that it is across the front of these countries and with permission of their government that we must continue to our data. For this reason implementation of the Lindop proposals should go ahead.

Yours faithfully, C. P. D. DAVIDSON, Group Commercial Director, Lucas Industries, Great King Street, Birmingham B19 2XP, March 27.

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Sales	262,000	248,000	5.5
Profit before tax	19,025	18,120	5.0
Earnings per share	42.34p	41.31p	2.5
Ordinary dividends	8.4p	6.48p	29.6

The A.G.M. will be held on 15th May at New Zealand House, Haymarket, London, S.W.1.
Copies of the Report and Accounts will be available after 23rd April 1980 from the Secretary, APV Holdings Limited, P.O. Box 4, Crawley, West Sussex, RH10 2QB.

APV HOLDINGS LIMITED

BY THE FINANCIAL EDITOR

After the Budget

The market needed reminding yesterday that the corporate sector is not the only one that matters. The half-yearly results of the United Kingdom's largest companies, which were published yesterday, showed that the corporate sector is not the only one that matters. The half-yearly results of the United Kingdom's largest companies, which were published yesterday, showed that the corporate sector is not the only one that matters.

expected is £54m and even that assumes that further industrial disputes do not upset the calculations. Fortunately the group has a strong balance sheet to tide it over although the profits setback is already forcing Lucas to look hard at its capital spending.

The shares recovered half their 20p initial fall yesterday to close 10p down on 210p where they are selling at seven times prospective earnings and yielding 7½ per cent on a maintained dividend. And the latest United Kingdom setback looks as though it will increasingly shift the focus of its business abroad.

Northern Developments

Some wider implications

In a complex judgment, Mr Justice Gibson has upset some widely held assumptions in the City and industry about a banker's relationship with its customers. This judgment arises from an action brought by William and Glyn's bank against Mr Derek Barnes, former chairman of Northern Developments, a housebuilding group which crashed in 1976.

The bank sought to recover sums advanced to Mr Barnes personally. While some of the claims and counter-claims of the case refer to particular aspects of the case, there are wider issues.

House of Fraser

Lorho will be pleased

House of Fraser has three problems: most of its 111 stores are too small for efficient retailing in the 1980s; it is heavily dependent on the four London stores, particularly Harrods which probably contributes a quarter of sales and 40 per cent of profits; and finally the fact that Lorho holds just under 30 per cent of its equity.

In the first two respects, House of Fraser typifies many of the difficulties facing the retail sector. Although the company says all its outlets are profitable, it is clear that some are much more profitable than others.

The big surge which took profits from £10.6m in 1972 to £40.4m in 1979 was largely due to tourism in London. So the easing of the tourist boom, combined with VAT rises and the slump in women's clothes sales, helped to pull 1980 profits down to £3.3m.

A modest recovery may be anticipated in the current year, but it is unlikely without a change in these fundamentals to restore profitability to more than 1979 levels.

On sales up £86m to £700m margins have slipped from 6.5 per cent to 5.3 per cent, an indication of how tough business is.

Despite this the dividend has been increased from 6.33p a share gross to 8.57p, so cutting cover from 3.9 times to 2.5. That will please Lorho, even if the yield of 6.4 per cent with the shares at 134p is not especially attractive when compared with say Debenhams.

Lucas executives who show initiative in saving even small sums can look for a pat on the back. But one such play misfired yesterday when someone in the electric vehicle department tried to beat the Budget.

Lucas already has 25 converted Bedford CF vans on test and will soon have 40 more.

Derek Harris

OFT's Mr Borrie prepares for the chase

The Competition Bill, which is to receive the Royal Assent next week, gives Mr Gordon Borrie, the Director General of Fair Trading, sweeping powers to bring to book those who indulge in anti-competitive practices.

Instead of following the American system of specifying uncompetitive practices and outlawing them, one individual, the Government has left it to Mr Borrie to define what constitutes an anti-competitive practice and to decide whether to refer the practice to the Monopolies and Mergers Commission.

The 120 or so administrators and specialists on Mr Borrie's staff dealing with the various aspects of competition policy have been scratching their heads over the definition of "anti-competitive" ever since the Bill was published last July.

One guide they have is the Green Paper on restrictive trade practices policy produced last year by the interdepartmental committee chaired by Mr Hans Llesner. The Llesner committee itself relied to a large extent on the experience of the Monopolies and Mergers Commission whose investigations had thrown up examples of widespread uncompetitive practices.

Some of the judgments of the Commission could well provide the beginnings of a body of case law guiding the Office of Fair Trading (OFT).

The Llesner committee cited various examples of practices which had been found undesirable: these included the tying of the sale of one product by a retailer to the sale of a different one and "full-line" forcing where a retailer has to buy a full range of a maker's goods instead of merely the one desired. These practices have now gone to the Commission for investigation.

Referring to contracts, loyalty bonuses to retailers, aggregated rebates and restrictive cancellations.

There will be a month for the company to decide whether it should give undertakings to the Director General on dropping the practices investigated in order to avoid a Commission inquiry, which would last up to six months with an optional three month extension.

One serious criticism of the legislation may be that this will leave little time for a formula mutually acceptable to the OFT and the company to be hammered out. Complicated trade practices built up over decades could be involved.

If a Commission investigation went to nine months a company could be under critical public scrutiny for nearly a year before its fate was decided.

The threat of going through this process may well prove one of the strongest factors in squeezing out anti-competitive practices once they can be identified. In one of the investigations already been given preliminary attention by the OFT—the refusal of some manufacturers to supply to discount retailers—there are already signs that some of the manufacturers involved are beginning to wince under the pressure.

The Confederation of British Industry has underlined this point by complaining that the new legislation will lead to serious uncertainties for companies. The confederation is also worried about what a future administration less sympathetic towards business might do with such broadly written legislation.

Mr Borrie has been stumping the country lately talking to companies and business groups to try to reassure them. His key message has been that the OFT is not concerned with prices so much as ensuring that competition is as free as possible. Wearing its new anti-competitive practice mantle the OFT could easily be seen as much disliked by businessmen as was the Price Commission, which will be officially buried next week.

Its remit under the new legislation will be to look at practices by individual companies which may be distorting competition.

It is expected that smaller companies with a turnover of £5m or less will be excluded from investigation, as will those with 25 per cent or less market share.

The OFT will effectively need a prima facie case before deciding to announce an investigation.

Once an investigation is announced the OFT will virtually have all the wide powers of the Commission in calling for evidence from a company. It might, if circumstances demanded, launch concurrent investigations into several companies in a sector, but it is hoped that investigation of a market leader will act as sufficient warning to others.

There is no time limit on the OFT's investigation, but it will be expected to act quickly. Given its staffing capacity, 20 to 30 investigations a year seem likely.

One problem could be the trivial nature of some complaints about anti-competitive practices. About 50 potential cases in inquiry have already been rejected. Another 30 are still being considered and it is thought that four full-blown investigations may be announced by the end of May.

The OFT's investigation report will, if it decides a reference to the Commission is justified, have to set out the full reasons for the decision. This differs from the procedure under which the OFT sends a monopoly reference to the Commission. Reasons do not have to be stated in these cases.

There will be a month for the company to decide whether it should give undertakings to the Director General on dropping the practices investigated in order to avoid a Commission inquiry, which would last up to six months with an optional three month extension.



Two welding robots await their next Strada body-shell at Fiat's Turin plant.

Technology

Robots on the payroll

One of the best places in Europe for a glimpse into the future of manufacturing is to be found at Fiat's Turin plant, home of one of the automated Robogate lines in which the body shells of Strada cars come together. Low platform cars glide along preset rails, carrying the body shells into and out of a sequence of welding bays.

In each bay, the shells are locked into position by yellow frames or "gates" ready for the attention of the welders, who surround the platform like surgeons around an operating table. Sparks fly as the operation begins and the welders' torches dart into and out of the Strada's anatomy.

The welders, of course, are industrial robots, performing their fixed tasks with speed, precision and consistency. The robots themselves are conventional units, but it is Fiat's wholly integrated system, with hardly a human in sight (one is sitting at a computer terminal, another is cycling around the line to keep an eye on things) that is the pointer to the future.

In the immediate future there is the prospect of something similar at BL's Metro line at Longbridge.

In Japan, the watchmaking industry is the leader in the automation of mass production in mechanical engineering.

Industrial robots are a far cry from those moving, speaking mechanisms which appear in space fiction films.

An industrial robot of the kind which has attracted the attention of Fiat, BL and Japanese industry—and, in recent weeks, of the National Research Development Corporation—is the mechanical equivalent of a one-armed human torso (that is, it can twist its mechanical waist, shoulder, elbow, wrist and hand). Its movements are controlled by computer, either by program or simply by making the machine through its paces manually—just once.

Having thus been taught its task the robot will carry on doing it, precisely, again and again, without taking tea breaks, going on strike or sleeping on the night shift.

Unimation of Danbury, Connecticut is the acknowledged world leader in industrial robots, while Hall Automation of Watford, Hertfordshire, claims to be Europe's leading producer. Both companies have been involved in recent changes in the United Kingdom industry.

Last December Hall was acquired by BOC and the BOC family, by GEC-Marconi, earlier this month Unimation announced it would produce its new Puma robot in Britain with NRDC and Department of Industry backing.

Hall produces three types of machine: a general-purpose transfer robot, an arc welder and a paint-sprayer. Unimation's Puma is a light-duty industrial robot which has been introduced for assembly work in six divisions of General Motors in the United States; it is a smaller brother of the Unimates which (together with similar Comau machines) weld the Strada bodies in Turin.

Two other moves into robot development and manufacture

in Britain were made earlier this month. Fairley Engineering is to market and later manufacture a range of automation products designed by six Italian companies; and a new company, British Robotic Systems, has been set up jointly by SPL International and Remek Micro Electronics.

As in other fields of advanced technology, Britain has devoted much effort to discussion and investigation of robots—but has little to show in terms of working systems in use in British industry. On a recent check, Lord Trenchard, Minister of State at the Department of Industry, said this week (he was opening an automation conference in Brighton) there were only 130 robots at work in Britain compared with 500 in Germany and 500 in Sweden. And he might have added, about 4,000 in Japan.

The 4,000 figure for Japan was quoted by Mr Clive Jenkins of the Association of Scientific, Technical and Managerial Staffs at a recent conference on robots organized by the British Institute of Management. Other speakers included two pioneers of United Kingdom robotics—Mr Douglas Hall, managing director of Hall Automation, and Professor W. B. Haginboham, director-general of the Production Engineering Research Association.

The impact of robots and automation on joining and assembly was the subject of a report published last October by the Government's Advisory Council for Applied Research and Development (Acad). In countries such as Japan, the United States and West Germany, Acad notes, government supported programmes have accelerated the development and application of robots, and there is continuing research to produce "more intelligent" robots with sensory perception.

A snapshot of a different kind reminds me again of the Robogate line in Turin. Off to one side was a robot with its covers off, bending, stretching and twisting furiously, repeatedly—and to no effect, since there was no car there to weld. The effect was disturbing: we were watching a robot shadow-boxing, or doing keep-fit exercises, or undergoing a severe emotional disturbance. It was a fact being tested after repairs.

Kenneth Owen

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- March 2-4: MIAS INVERNALE 80 - International Market for Sporting and Camping Equipment
- March 3-7: ROBOT AUTOMATION - Exhibition-Conference: Numerical Controls, Industrial Robots & Process Automation
- March 16-20: MODIT - Ready-made Clothes Exhibition
- March 18-23: SPACK-IMA - International Exhibition of Packing & Wrapping, Internal Factory Conveyor Transport & Food Industry Machinery
- March 26-30: COMIS/PEL - International Fur Dealers' Salon
- April 14-23: 41st MIFED - International Film, TV-Film and Documentary Market
- May 3-6: MIDO 80 - International Exhibition of Optical, Optometric & Ophthalmic Goods
- May 3-6: SINAC 80 - Italian Fashion Preview - International Exhibition of Foot & Shoemaking Machines, Machinery for Tanning - Accessories and Synthetic Products - Model Designs
- May 6-10: EXPO ITA - International Exhibition of Heat & Sound Insulation, Roofing Materials & Waterproofing
- May 15-21: SASMIL - International Exhibition of Semifinished Products & Accessories for the Manufacture of Furniture, Upholstery and Wooden Articles
- May 15-21: INTERBIMALL 80 - 7th International Biennial Exhibition of Timber & Woodworking Machinery & Accessories
- May 16-20: STAR 80 - International Trade Show of Carpets, Curtains, Furnishings, Fabrics, Tapestries & Wall-papers, Household
- June 4-8: 18th SIAS - Biennial International Exhibition-Conference: Automation & Instrumentation
- June 5-9: 37th MIPEL - Italian Leather Goods Market (International Salon)
- June 10-13: ESMA-EUROTRICOT - European Hosiery and Knitwear Salon
- June 10-13: MANUTENZIONE 80 - Exhibition-Conference: Materials, Equipment & Products for Maintenance, Cleanliness & Hygiene in Industry & Community Life
- June 20-24: SAMAS 80 - Exhibition of Machines & Accessories for the Clothing Industry

Further information from: Fiera di Milano, Largo Domodossola 1, 20145 Milano (Italy) or from the Milan Fair Representative, Dr. Vittorio Schiavone, 20 Savile Row, London W1X 2DQ Tel 01-734 2471.

The Milan Fair Organization declines responsibility for any changes in the dates announced as above.

Ross Davies

Business Diary: Brewers caught on the hop? • Electric shocker for Lucas

be only January of this year that Greenall, Whitley & Christopher, Harton in his annual report said that the company was "in a bit of a bind" and that the plans were "not as good as they were".

Lucas executives who show initiative in saving even small sums can look for a pat on the back. But one such play misfired yesterday when someone in the electric vehicle department tried to beat the Budget.

Lucas already has 25 converted Bedford CF vans on test and will soon have 40 more.



If Mrs Thatcher isn't going to pay VAT to the EEC I don't see why I should pay VAT to her.

increase in road tax for every-thing except electric vehicles which were excluded from tax to encourage "cleaner and quieter vehicles".

By 1981 Lucas will have over 100 battery-driven vans on the road. With a one-ton payload, a top speed of 50mph and range of 70 miles between charges. The Chloride group is investing in electric vehicles too.

Standard Chartered Bank, the leading British overseas bank, has moved swiftly to consolidate its position as Zimbabwe's biggest commercial bank.

It has brought Davidson, the head of its entire Zimbabwean operation, back to head office in the City as general manager, special duties, to help rope in British or indeed any other companies who want to buy or sell in Zimbabwe with SCB help.

Davidson, a Scot, was hired by SCB 24 years ago and within hours of visiting the St Clements Lane headquarters, was on a boat heading for the then colony. Most of the calls he is getting are from British firms and he says they are likely to do well in that market.

Another man to watch for

the next two, or three years. Other countries do not allow this sort of latitude, but if the Government is going to abolish the tax advantages of company cars altogether they would have to restructure the British system of remuneration completely. I do not think it will happen.

Meanwhile his first issue has some good provocative material. It argues (pretty convincingly) that the Rolls-Royce is Britain's cheapest company car, because it is the only one which offers hope of improving on the investment.



Standard Chartered's John Davidson, Zimbabwe settlement resettlement.

is Alan Wren, Davidson's successor in Zimbabwe. His last two postings were Tehran and Beirut—let us hope that Salisbury does not give him the chance to make it a hat-trick of trouble spots.

For the sake of American labour journalists, if for nobody else, I hope that IAMSPPRST-MSKMNTWHV is a nest of moderates and not about to embark on a headline-grabbing dispute.

They are the initials of the union which could have the longest name in the world—in the International Association of Agricultural Workers, rightly entitled: "Interesting Facts".

Another more tantalizing item, says facetiously: "The earliest recorded labour dispute was concerning the monopoly of working conditions in Thebes, Egypt, 1153 BC." Given Egyptian capacity for delay, is it still going on, I wonder?

Geoffrey Dix, secretary of the Institute of Bankers, writes to me in despair because his usual British supplier of matchbooks is no longer to make them in this country and he cannot find anybody else who does. Could it be that the matchies in the banks have let the small matchmakers go under?

Arthur Bell expands home market share

The shares fell 4p to 162p yesterday. Assuming the final dividend is raised in line with the interim, the prospective yield is 5.6 per cent.



As far as the current year is concerned, Sir John said that, "taking one thing with another", the year had started well. The board still believes that group pretax profit for the year will show an advance over the previous year, "but not a dramatic one".

Bestobell is obviously a powder that vanishes from the scene with—but under Mr. Summell, who came from it has already done a streamlining and production.

But it still does not protect inflation against the contributions of the areas. The year has reasonably and the Bundes Steel supplies in been a problem. Outside market profits that not around 177.

The sale, if managed, group headquarters at Green in Slough won year end borrowings of by a million or two. Share Funds are £26.2m.

in most markets. As a broking and agency concerns trading profits fell from £15.3m to £14.9m. However, profits from the insurance companies leapt by 90 p to £6.7m.

Mr Kenneth Grob, chairman, yesterday strongly denied rumours about a boardroom changes which persisted since two of the group's underwriters died last year.

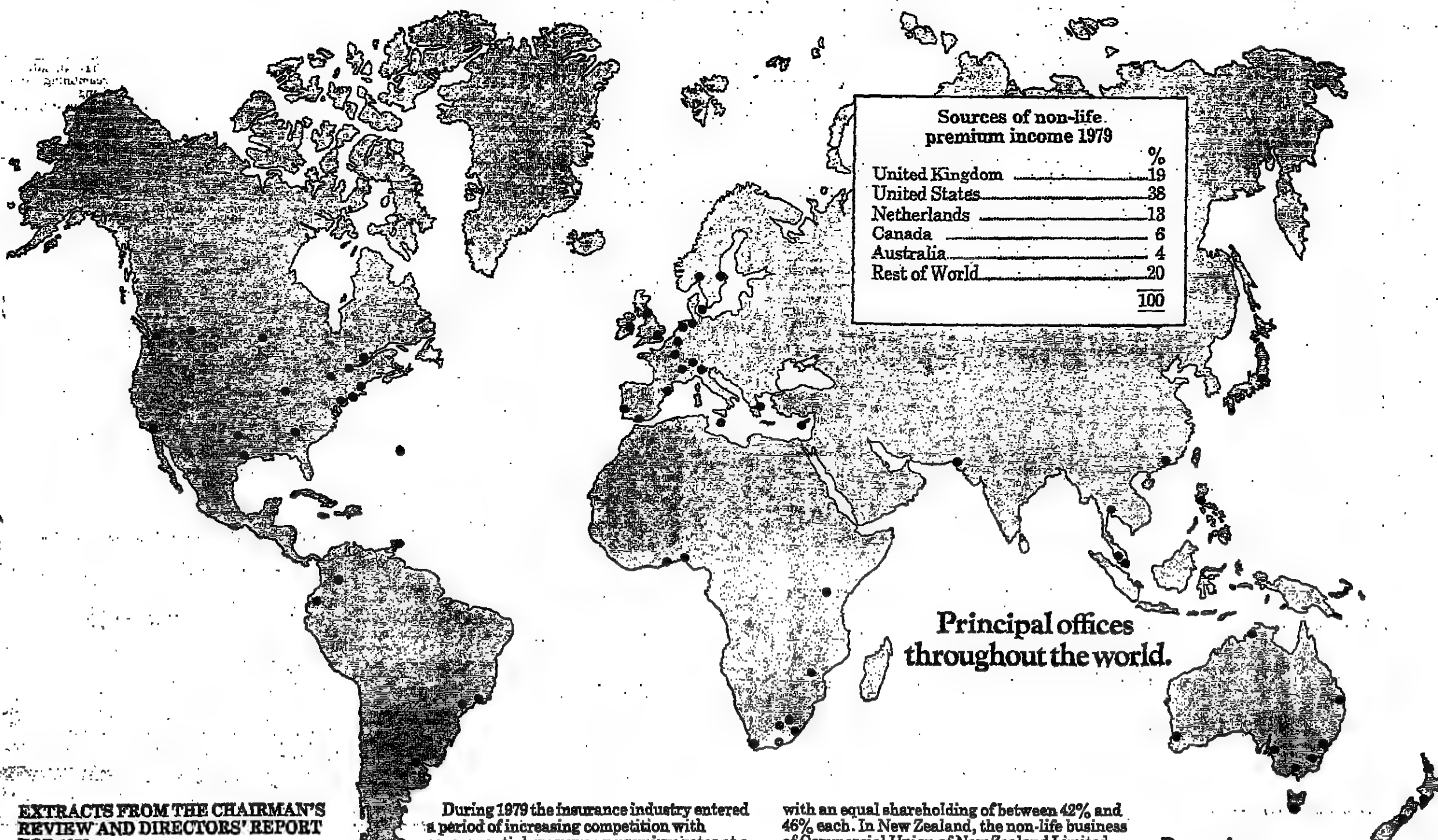
Dresdner Bank has proposed an unchanged dividend of DM9 per DM50 share for 1979. The bank said yesterday in Frankfurt that capital ranking for the dividend payment was DM878m. The dividend payout for 1979 will cost the bank DM158m while a further DM50m will be put into open reserves, leaving

Shell Oil

1979, he said, mainly because of business growth. The interest margin was under pressure on balance better than a year ago.

the bank with a total DM878m in basic capital and DM2,040m in open reserves. The announcement followed a Wednesday meeting where the 1979 annual report was presented by the board of directors and approved by the supervisory board. It will be presented to stockholders at the annual meeting on May 15.

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EXTRACTS FROM THE CHAIRMAN'S REVIEW AND DIRECTORS' REPORT FOR 1979.

Summary

The profit attributable to shareholders for 1979 (after taxation and minorities) was £91.8m compared with £87.8m for 1978. Earnings per share increased marginally to 22.34p from 21.37p in 1978.

Your directors recommend the payment of a final dividend of 5.800p (1978 5.927p) per share which, with the interim dividend paid in November 1979, gives a total of 9.800p (1978 8.790p). This represents an increase of 11.5% on the dividend paid in respect of the year ended 31 December 1978. The cost of total dividends for 1979, including preference dividends, will amount to £40.8m, leaving £51.5m to be transferred to retained profits and reserves.

World-wide non-life premium income in sterling terms increased by 4.3%, but, after allowing for the effect of changes in rates of exchange and the sale of a majority of our shares in former subsidiary companies in South Africa and the Republic of Ireland, which have now become associated companies, the underlying growth in premium income was 12.4%.

Investment income, net of loan interest, amounted to £141.0m (1978 £124.3m) representing an increase of 13.4%, but, after allowing for the effect of changes in rates of exchange and other factors, the underlying increase was 21.4%.

Life profits were higher at £16.6m compared with £15.0m in 1978.

Underwriting results deteriorated during 1979, producing a loss of £21.3m compared with a profit of £2.9m in 1978. This deterioration was largely due to our underwriting experience in the United States, where, as generally expected, results worsened. In the United Kingdom and Canada underwriting profits were achieved, but the Netherlands again sustained a substantial underwriting loss as did a number of our operations in Europe. Marine and aviation business written in the London market made a satisfactory profit of £2.5m in comparison with the unusually high profit reported in 1978 of £5.1m.

MAJOR TERRITORIES

United Kingdom

Underwriting in the UK produced a profit of £3.5m compared with £3.9m in 1978.

The dull economic conditions during the year, coupled with an excess of underwriting capacity, resulted in vigorous competition for business. This affected premium rates adversely and hence profit margins.

Despite these pressures, we achieved real growth (ie in excess of inflation) in most of the significant classes, especially fire and motor, and the total premium increase for the year was over 21%.

Fire experience was adversely affected by an increase in the number of large fires and by losses arising from bad weather which occurred at the beginning and at the end of the year. Motor business remained profitable and there was a marked improvement in the liability account.

Life profits in the UK amounted to £7.1m (1978 £5.7m). A valuation of the Northern Non-Participation Life Fund was carried out at 31 December 1979 and a surplus of £18m has been transferred to shareholders' funds. A profit of £6m will thus be released to the profit and loss account in each of the years 1980, 1981 and 1982 compared with £4m for each of the three years following the valuation at the end of 1976. All these amounts are net of taxation.

United States

There was an underwriting loss in the United States of £8.3m compared with a profit of £7.7m in 1978. Investment income increased to £46.5m (1978 £44.6m).

During 1979 the insurance industry entered a period of increasing competition with consequential pressure on premium rates at a time of rising inflation in the economy. Furthermore, industry losses from catastrophes were the highest for many years and included the cost of two severe hurricanes, David and Frederick. Accordingly, a downturn in the underwriting results of the industry occurred and we shared to some extent in this general deterioration in market experience.

Our operating ratio on a statutory basis was 102.5% (1978 98.5%).

We have continued to support the Independent Agency System by providing our agents with an effective means of marketing, underwriting and controlling their personal and commercial lines business. We have also improved our methods of controlling and handling claims. In general, our objective has been to provide a service to our agents of the highest standard with a view to developing for them, and for us, portfolios of a high quality. This policy has been well received by our agents and has contributed materially to an increase in premiums in local currency of some 13% compared with an average premium growth for the industry of about 11% during 1979. At the same time we consider our claims experience to be acceptable in present market conditions.

Australia

Underwriting experience in Australia continued to be unprofitable, producing a loss of £2.3m compared with a loss of £1.7m in 1978. Investment income was £7.0m (1978 £7.9m). Premium income in local currency increased by 4%.

It was announced on 13 February 1980 that we have agreed in principle with the National Mutual Life Association of Australasia Limited (NML) to integrate our general business interests in Australia and New Zealand, and to transfer to NML our life business in those countries. It is intended that NML will acquire from us such number of shares in Commercial Union Assurance Company of Australia Limited (CUA) as will leave both NML and ourselves

with an equal shareholding of between 42% and 46% each. In New Zealand, the non-life business of Commercial Union of New Zealand Limited and NML will be transferred to a newly incorporated general insurance company, in which we and NML will have a 40% interest, and CUA a 20% interest. It is hoped that the above arrangements will be completed by September 1980. We believe that the association with NML will strengthen our operations and enable us to provide a more comprehensive service in both Australia and New Zealand.

Canada

The underwriting result in Canada was a profit of £.4m (1978 £.1m). Investment income increased to £8.8m (1978 £8.2m).

Competition has been intense and conditions generally have not been conducive to growth. Accordingly our premium income in local currency increased by only 2%.

Netherlands

In the Netherlands there was little change in the underwriting result of our subsidiary, Delta-Lloyd Verzekeringgroep NV, which sustained a loss of £10.7m compared with £11.4m in 1978. Investment income increased to £20.7m (1978 £19.6m) and life profits were slightly higher at £8.2m (1978 £8.0m).

FINANCIAL

During the year there was a significant rise in the value of sterling against most other currencies, including those of the four major territories in which we operate. The effect of changes in rates of exchange reduced the profit attributable to shareholders by approximately £5m and resulted in a reduction in shareholders' funds of £32m. The consequent effect on our solvency margin was, however, negligible.

Exchange controls which had been in existence for some 40 years were abolished by the present Government in October 1979. Whilst the needs of British companies operating in overseas markets have been understandingly considered by the Bank of England during the existence of controls, the improved ability which we now have to plan ahead for overseas capital commitments is very welcome.

Borrowings

During the year our non-life borrowings were reduced by £79.4m to £134.8m and the debt to equity ratio (ie borrowings expressed as a percentage of shareholders' funds) fell from 33% to 19%. This reduction resulted from the repayment of £26.0m of borrowings following the sale of various European properties, and from a final repayment of £19.7m in connection with the mortgage on the Boston building. The net effect of changes in rates of exchange was to reduce existing borrowings by £12.8m from the previous year.

CONCLUSION

The worsening trends in underwriting results - more particularly in the United States but also in the world reinsurance and marine and aviation markets - show that the current problems of the insurance industry are largely caused by a combination of increasing competition and inflation. Competition is continuing to force down rates of premium at the same time as inflation is pushing up the cost of claims. Profitable results will only be obtained through the restoration of underwriting standards which enable premiums to rise to a level that at least matches the effects of inflation on claims, but I see few signs of an early return to responsible market behaviour in this respect.

Inflation, of course, also has adverse effects on operating costs, and it is possible to offset these through the achievement of growth in premium income at a rate greater than the rate of inflation. The dilemma is, however, that growth of this order cannot at present be obtained without the acceptance of lower underwriting standards, which would mean that the beneficial effect on costs would be more than offset by further deterioration in claims experience.

Our objective must therefore be to achieve as nearly as we can a reasonable balance between these conflicting requirements. This involves careful forward planning both for the short and longer term. We have developed practical planning procedures for the attainment of controlled growth which are beginning to prove themselves in practice, and we aim to refine and improve them. In this we are already seeing the benefits of our investment in sophisticated data processing systems of which full advantage is being taken by our skilled management and staff both in Head Office and throughout the world. This is demonstrated by our results for the year under review, which can be regarded as satisfactory in last year's adverse market conditions.

I believe that the problems we have faced in 1979 will continue and may well be even greater in the immediate future than they have been in the recent past, but I am confident that in the longer run sanity will be restored and that the current adverse market trends will be reversed. This will happen all the sooner if, as I believe, the world-wide economic recession begins to be reflected in a slowing down of growth in investment income which hitherto has provided too soft a cushion against losses incurred on underwriting.

Against this background, we are committed to growth, but only to profitable growth, and, where we see the opportunities for this, we shall take them in 1980.

RESULTS IN BRIEF

	1979 £m	1978 £m
Premium income	1,148.5	1,100.7
Investment income	153.6	143.3
Life profits	16.6	15.0
Underwriting result	(21.3)	2.9
Loan interest	(12.6)	(19.0)
Associated companies' earnings	1.3	—
Profit before tax	137.6	142.2
Taxation and minorities	(45.8)	(54.4)
Profit attributable to shareholders	91.8	87.8
Earnings per share	22.34p	21.37p
Dividend per share (net)	9.80p	8.79p
Shareholders' funds	£717m	£646m



Commercial Union

Assurance Company Limited

Head Office: St. Helen's, 1 Undershaft, London EC3P 3DQ

Francis Lindland

Chairman

Stock Exchange Prices

Gilts lead the way down

ACCOUNT DAYS: Dealings Began, March 24. Dealings End, April 11. § Contango Day, April 14. Settlement Day, April 21

§ Forward bargains are permitted on two previous days

[illegible]

the 1979 record figure at the beginning of the year remains to be seen. "We have described the increase in the 1978 level of 11.2 percent as "very encouraging", as it has been since only a few weeks after the company announced the victory because of poor

istic forecasts at the decade, cars sold with gained at about 10 per total throughout the

the 1979 record figure at the beginning of the year remains to be seen. "We have described the increase in the 1978 level of 11.2 percent as "very encouraging", as it has been since only a few weeks after the company announced the victory because of poor

My feeling is that if automatic boxes could be offered to the motorist at more or less the same price as manual transmission, that 12 per cent figure would leap up immediately.

That is why a development recently announced by the component manufacturer, Automotive Products, could have great

Sports car flavour—the Vauxhall Astra Hatchback

The process is not only cheaper than the conventional method but it produces a box that goes a long way towards removing the traditional penalties of higher fuel consumption and loss of performance. AP is trying to sell the idea to car manufacturers, and the response will be interesting.

What strikes one immediately about the new Astra is that there are only two versions, a five-door hatchback and an estate, with no choice of trim level, and that both are expensive for a 1.3 litre. The explanation lies in Vauxhall's model policy, which in turn is determined by what happens at Opel, the General Motors sister company in Germany.

Under GM rationalization, today's Opel is tomorrow's Vauxhall. As the old Opel Kadett became the British Chevette, so the new Kadett has spawned the Astra. But while Opel decided that the new Kadett would be a straight replacement for the previous one, Vauxhall is to keep the Chevette going "well into the 1980s", and has launched the Astra

Since the two cars occupy much the same part of the market, there was a danger that the more modern and advanced Astra (it is the first Vauxhall with front-wheel drive) would simply take Chevette sales. So the Astra is being presented as an up-market model that should not clash, particularly as there is no saloon version.

Use of front-wheel drive and a cross-mounted engine allows maximum release of interior space, and there is more room in this car than in the Chevette, which is several inches longer overall. The engine is a new overhead camshaft design, with lively performance belying its modest 1297cc: 0 to 60 mph acceleration in under 15 seconds, impressive top gear flexibility and a

There is something of a sports car roar when the car is driven at all hard through the gears, but for some drivers that will increase the appeal, and a low top-gear ratio

means that the engine is working busily at cruising speeds. Road noise can be intrusive as well. Consumption is helped by a favourable aerodynamic shape, with sloping bonnet and cut-off tail, and most owners should get at least 30 to 35 mpg.

If the engine makes the Astra sound like a sports car, the handling makes it feel like one. The car has the characteristically taut German

level and the rear seat can be rolled down to increase load space.

As on the Kadett, I was not greatly impressed by the heating system, but the rear screen wash/wipe is a useful item and other standard features include a radio, quartz clock and head restraints.

Softening the Blow

Although the Chancellor's 10p a

gallon on petrol, boosting the cost of four-star to beyond £1.30 in most areas, sounds harsh, the full effect may not be felt. The mild winter has meant that there is a surplus of petrol, while price increases over

The result is a new bout of price-cutting at the pumps which, as long as it lasts, can only benefit the motorist. So, after the initial rise prompted by the Budget changes, prices may start to come down again.

Peter Waymark

Peter Waymark



Holidays and Hotels in Britain and Ireland

West Country

Globe House, Devon

LUXURY SELF-CATERING ACCOMMODATION

Georgian country vicarage with a fine extensive range of light, airy, newly converted rooms, each with its own bathroom, set in 5 acres of landscaped grounds, 4 miles from the sea. Open for 9 months including Christmas and New Year. Still have some vacancies for July/August. Also suitable for the physically handicapped.

Mr & Mrs J. Pryor, Sefton House, South Tawton, Chagaston, Devon, EX20 2HL. Tel: Sticklepath (083 784) 283

Moorhead Hotel

NORTH DEVON
Off the beaten track, four miles from the coast, near Claverton. The hotel is a beautiful Georgian house, set in 10 acres of landscaped grounds. It has 10 bedrooms, 5 bathrooms, and a large garden. It is a perfect place for a family holiday or a romantic getaway.

WADSWORTH, 18th CENTURY COTTAGE

Modernized 18th century cottage, 3 bedrooms, 2 bathrooms, and a large garden. It is a perfect place for a family holiday or a romantic getaway.

WEST CORNWALL

Beautifully renovated cottage, 3 bedrooms, 2 bathrooms, and a large garden. It is a perfect place for a family holiday or a romantic getaway.

CORNISH COTTAGES

Beautifully renovated cottage, 3 bedrooms, 2 bathrooms, and a large garden. It is a perfect place for a family holiday or a romantic getaway.

TORQUAY, Devon

Beautifully renovated cottage, 3 bedrooms, 2 bathrooms, and a large garden. It is a perfect place for a family holiday or a romantic getaway.

CORNWALL, Devon

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DEVON COTTAGE

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West Country

RUDE, NORTH CORNWALL

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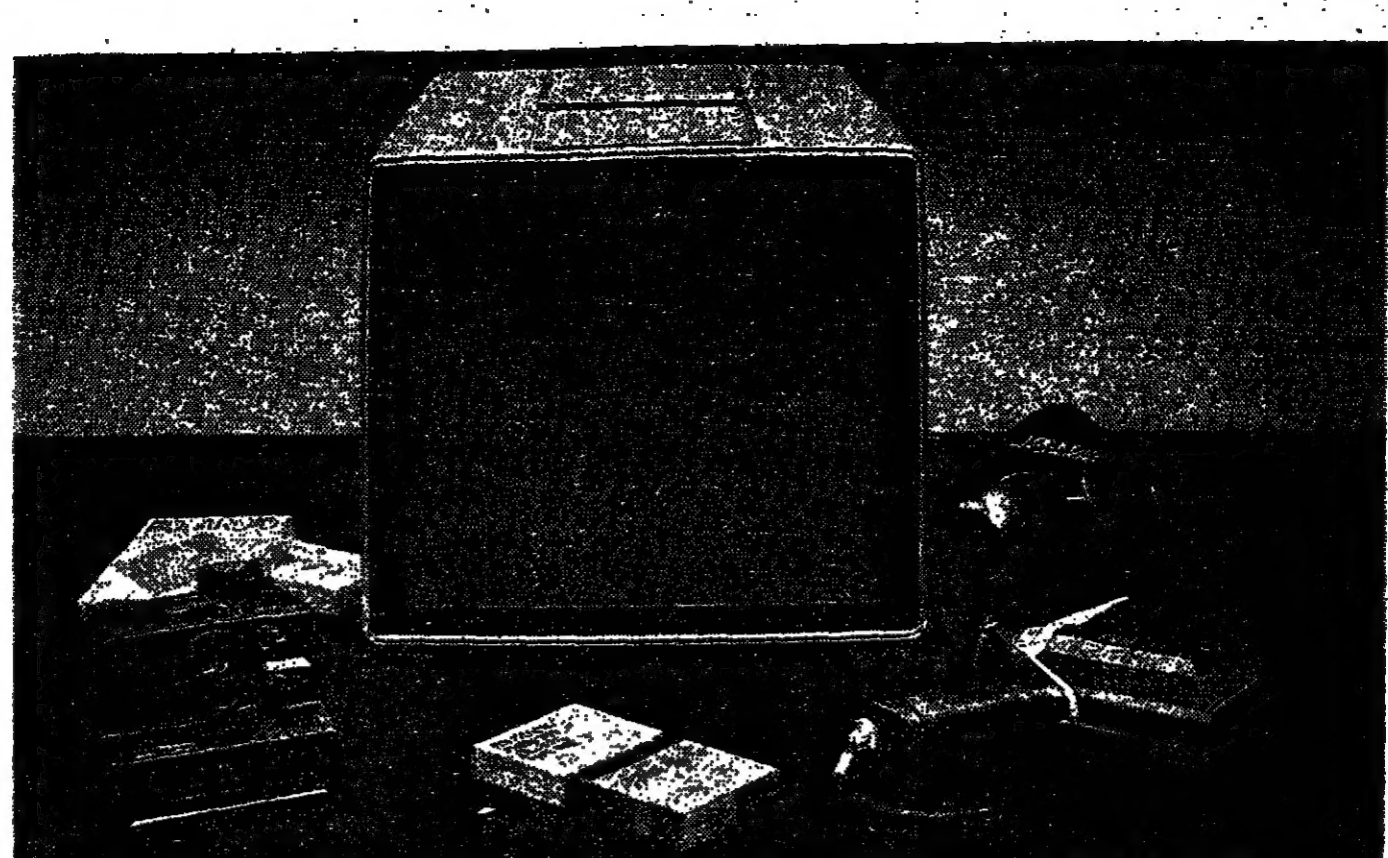
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Win this Polavision Camera and you're an instant film star.

First prize of this year's Summer Holiday Competition will be a complete Polavision movie outfit. The latest development from Polaroid.

Which, as its name suggests, gives instant moving pictures.

Simply shoot your movie with the hand-held camera, load the exposed film cassette into the player, wait just ninety seconds and then sit down and enjoy the show. No screens to set up. No projector to thread.

Just imagine, you could show a wedding at the reception, relive Christmas Day on Boxing Day or even watch your holiday films while you're still on holiday.

The possibilities are endless.

And things are looking good for the runners up. Every week, for three months, we'll be giving away a Polasonic Auto Focus 5000 which produces instant colour photographs and guarantees perfect sharpness.

And for three other lucky losers there'll be a pair of 'Lookers by Polaroid' Sunglasses.

HOW TO ENTER

First, read through the holiday columns and find the answers to these three simple questions.

- 1 Where can you stay if you want high adventures on Lake Windermere?
- 2 Where are the buds bursting and primroses in full bloom?
- 3 Stay here and visit Fingal's Cave?

Now imagine that you are an exhausted Robinson Crusoe shortly after arrival on Desert Island.

Is the place all you had hoped for?

Admittedly it's scorching hot, secluded and the native is friendly. But don't the amenities leave something to be desired? Hotel not even partially constructed, night life a shade dull and the possibility of romance exceedingly remote.

All in all it doesn't add up to much of a holiday. So write a letter of complaint (max. 100 words) to the travel agency that has organised your stay there.

But beware. They're also responsible for your return and too harsh a criticism could leave you stranded. Best to make light of the matter. Humour them.

Then send us your letter. We must receive it by next Wednesday. So don't put it in a bottle, post it directly to The Times Summer Holiday Competition, New Printing House Square, Grays Inn Road, London WC1.

At the end of the competition all the winning entries will be judged again and the author of the most entertaining letter will receive the Polavision Movie outfit.

CONDITIONS OF ENTRY

1. Employees of The Times Newspapers Limited and their families may not apply.
2. The decision of the judges is final.

THE TIMES
U.K. Holidays Competition.

Wales

MAGNIFICENT PEMBROKESHIRE COAST

Offers a wide range of holiday homes, from small cottages to large houses. The coast is beautiful and the weather is perfect. It is a perfect place for a family holiday or a romantic getaway.

LAKE DISTRICT

Beautifully renovated cottage, 3 bedrooms, 2 bathrooms, and a large garden. It is a perfect place for a family holiday or a romantic getaway.

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Wales

CHARMING STONE COTTAGES

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East Anglia

NORTH NORFOLK COAST

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Ireland

KILLARNEY, Co. Kerry

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Scotland

Beautiful University Campus Family Holiday

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Scotland

Marine Hotel, Troon

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Beautifully renovated cottage, 3

